



# THE MONA ECONOMIST

ANNUAL NEWSLETTER  
VOL. 4 (AUGUST 2017)



Shakeba Foster

## 2017 JAMAICA RHODES SCHOLAR

For the second consecutive year, a graduate of the Department of Economics (DoE), MSc Economics programme is the recipient of the Jamaica Rhodes Scholarship. On November 17, 2016, Ms. Shakeba Foster was announced as Jamaica's 2017 Rhodes Scholar. The 2016 winner was Ms. Sherona Forrester. You will be forgiven should you mix up their names.

Ms. Foster has consistently performed well, graduating at the top of her MSc Economics class, passing with distinction, in addition to obtaining first class honours in the UWI BSc Banking and Finance programme. Ms. Foster was also a 2014 UWI valedictorian nominee, and in 2012 received the Faculty of Social Sciences prize for the first year student with the highest GPA.

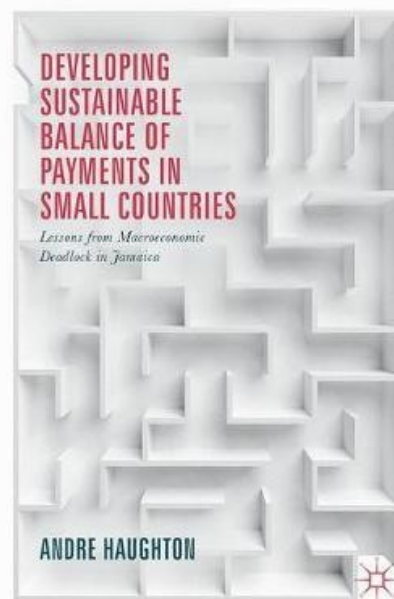
Academics aside, Ms. Foster has been involved in several extra curricula activities. She has served as the Regional President, National Youth Department, Pentecostal Assemblies of the World, Ja. Inc., April 2016-present; Member of Irvine Hall's Female Football Team, UWI, Mona, 2012-2013; and Member of Irvine Hall's Female Hockey Team, UWI, Mona, 2012-2013.

The Department of Economics (DoE) wishes her continued success.

## DR. ANDRE HAUGHTON'S FIRST BOOK

In July 2017, Dr. Andre Haughton published his first book, titled, "Developing Sustainable Balance of Payments in Small Countries."

The book analyses Jamaica's ability to satisfy its short and long run foreign currency obligations in light of recurrent balance of payment support from international lending agencies. Jamaica is one of the top five indebted nations in the world, and despite entering 13 successive arrangements with the International Monetary Fund over the past 40 years, its depreciating currency continues to drive up debt servicing requirements. The island nation's longstanding relationship with multilateral lending agencies like the IMF serves as a case study for other developing countries that are unable to generate sufficient intrinsic net international reserves and, consequently, suffer from incredibly low GDP growth per annum. The book closes with policy recommendations to bolster the Jamaican economy into solvency so that it can create a sustainable foreign debt repayment plan, and suggests strategies for supporting local economic objectives within global geopolitical constraints.





### **Kino Morris**

Pass with distinction

Best Economics Graduate Student – AY 2016/2017

### **KINO'S PROFILE**

**Hometown:** Kingston

**High School:** Wolmers' Boy's School

**Team:** FC Barcelona

**Music:** Gospel & Soul

**Food:** Chick-fil-a Spicy Chicken with Polynesian Sauce

**Book:** "If Caterpillars Can Fly So Can I" (Alvin Day)

**Textbook:** The Theory of Industrial Organization (Jean Tirole)

**Hobbies:** Playing football and composing/playing music

**Quotes:** "I can do all things through Christ who strengthens me," AND "Teamwork makes the dream work."

## **KINO MORRIS**

### **BEST GRADUATING MASTERS STUDENT**

#### **What is your favourite economics course and why?**

Actually, I have two; Econometrics and Industrial Organization. Since I wasn't very mathematically inclined, these courses have equipped me with the requisite tools/skills for achieving the next goal on my list – acquiring a PhD in Economics. I've gained confidence not only as it relates to math, but more importantly, these courses have taught me that there is always a deeper level of intuition behind the math, and it is with the experience garnered that I can truly break ground in a quest to offering invaluable contributions to the agenda of growth and sustainable development particularly for Jamaica.

#### **How would you describe your experience in the MSc Economics programme?**

My experience in the MSc Economics programme has been a very rewarding one, which has taught me many life skills. One of the main reasons for choosing to do my masters in Economics, was a fear of not being able to hold my own as an economist having completed my undergraduate degree. I always wanted more, and it was a burning desire not only to be listed among the greats in economics such as John Maynard Keynes, but to make a difference in the lives of many. The programme was tough, but I learnt time management; sharpened my communication skills, as well as certain soft skills; and my critical analytical skills, just to name a few.

#### **What advice would you give to prospective graduate students?**

Have an open mind towards things that will be learnt, as it is only then you will be able to analyse a situation objectively, considering all perspectives. I would strongly advise them not to look for the easy way out, but to do courses which they have a passion for and will help them in achieving their goals. Don't try to learn ALL the material on your own, and so in working smarter, not harder, establish study groups of about 3 or so persons (not necessarily to brightest), which will aid in quicker coverage of the material. Don't be afraid to consult the lecturers for guidance where necessary, not everything will come easily to you, and the expertise of some who have been there will certainly make the journey less taxing. Lastly, don't be a 'book-worm.' Take time to socialize with lecturers and peers.

## GRADUATE STUDENTS ATTEND 98<sup>TH</sup> ANNUAL SSSA MEETING (2017)

Economics Masters students, Ms. Rochelle Johnson and Mr. Wendel Ivey, participated in the 98th Annual Southwestern Social Science Association meeting, April 2017, Austin, Texas. Ms. Johnson won the prize for the **best paper** by a graduate student. The DoE is extremely proud of both students for taking the initiative to submit papers for presentation at the SSSA conference.



Title: "An Empirical Analysis of the Impact of Minimum Wage on the Quality of Life"

Author: **Wendel Ivey**

Abstract:

This paper empirically investigates the relationship between the minimum wage, and the quality of life (QoL), where QoL is measured by the Legatum Prosperity Index. Ordinary Least Squares (OLS) was used to estimate the relationship. The study consists of cross country data for 114 countries. The results reveal that changes in minimum wage have a small, but statistically significant, positive impact on quality of life. The model estimates that a US\$1.00 increase in the weekly minimum wage level would result in an incremental increase in the QoL score by 0.004. The citizens of OECD countries such as Luxembourg, Belgium and Canada are estimated to have a 0.5 better QoL score in comparison to non-OECD countries such as Jamaica, Mauritius and Suriname. Latin American and Caribbean countries are estimated to have a 0.411 lower QoL score when compared to countries from Europe and Central Asia. Additionally, it was found that in the presence of black market trading, a change in minimum wage was insignificant. This result implies that when consideration is given to unconventional or illegal means of earning income, it is these activities, and not the minimum wage, that drive QoL.



Title: "Investigating Macroeconomic Shocks on the Jamaican Banking Sector: A VAR Approach."

Author: **Rochelle Johnson**

Abstract:

This paper presents an empirical model for the conduct of macro stress testing Jamaica's banking sector. Against this background, vector autoregression (VAR) models are used to assess the response of key measures of banking sector stability to macroeconomic shocks and also to determine whether there is evidence of procyclicality. Non-performing loans (NPLs) to total gross loans is used as the main measure of banking sector stability along with two additional measures which capture the banking sector's income performance and its level of liquidity. The economic output gap, interest rate spread, inflation rate and an unemployed labour force variable are used to simulate the main macroeconomic shocks. The empirical findings are largely consistent with a priori expectations. The results showed that all measures of banking sector stability displayed pro-cyclical patterns. Additionally, the variance decomposition highlighted the interest rate spread as the main source of variation in the NPLs.



# MSC ECONOMICS

## BEST GRADUATE TEACHING AWARD, FACULTY OF SOCIAL SCIENCES



**L-R: FSS Dean, Ian Boxill and DoE HoD, David Tennant**

The Department of Economics won the “Faculty of Social Sciences (FSS) , Faculty Day Graduate Teaching Award,” for the academic year 2015/2016. The award was handed over during the annual FSS faculty day event.



**L-R: Michael Witter and Graduate Students**

Former head of the Department of Economics, Dr. Michael Witter, in conversation with a group of Economics graduate students on the sidelines of the inaugural West Indies Economic Conference (WECON).



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## INAUGURAL ECONOMIC OUTLOOK FOR THE CARIBBEAN SYMPOSIUM

The Department of Economics (UWI, Mona), in collaboration with the Office Global Affairs (Office of the Vice Chancellor) held the first of a planned annual symposium on the Economic Outlook for Caribbean. The symposium was held on Thursday February 2, at the UWI Regional Headquarters.

The symposium included a range of presentations from academics and experts from institutions such as the IDB, ECLAC and the IMF.

See [here](#) for more information.



L-R: Faval Williams, Galina Sotirova & Richard Bernal

## UWI MONA RESEARCH DAYS

The Department of Economics (DoE) had two **interactive** displays at the 2017 UWI Mona Research Days activities.

The first display was based on the work of the DoE's very own, Drs Nekeisha Spencer and Patrice Whitely, who looked at class discrimination in the Jamaican labour market.

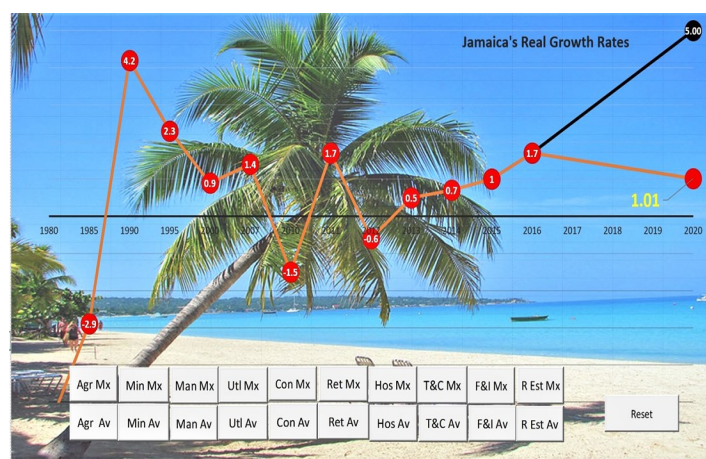
Visitors to the booth were able to engage the results of the study through an interactive display. A slide show featuring the resumes of several job applicants with varying characteristics was featured. Specifically two resumes were featured and attendees were required to guess which applicant stood a better chance of getting a job interview? After comparing both resumes, visitors were then shown the name of the applicant with the best chance of making it to the interview stage.



Economics graduate student, Jamelia, walks a visitor through the labour discrimination interactive display.

The second display, created by Dr. Samuel Braithwaite of the DoE, was based on the Jamaica Growth Council's "5 in 4" initiative. Using data from the Statistical Institute of Jamaica, the interactive display informed visitors about the various sectors of the Jamaican economy and their respective real growth rates over the last 2 decades. Visitors also got a glimpse of the contributions of each "broad" sector (e.g. the Agriculture, Forestry and Fishing sector), to Jamaica's real GDP. It was felt that instead of simply speaking to visitors in general terms about what is needed for Jamaica to achieve 5% real GDP growth, it would be best to have them look at the data, play around with it, and see how real GDP growth is affected based on growth in the individual sectors.

Visitors were allowed to select average growth rates, or the maximum growth rates, for each sector. The graph (see picture on right) would automatically adjust to reflect the growth rate of real GDP. The larger the sector, as a percentage of GDP, the greater the impact of growth in that sector on GDP growth. The goal was to get to 5% real GDP growth, or beyond.



The above picture represents the interactive display of Jamaica's real GDP growth. It was done in Excel. Visitors would click on the buttons (maximum or average rates) and watch as the graph automatically adjusts. The reset button returns the graph to its original position where the real GDP growth rate (1% in 2020) is estimated based on the average sectoral growth rates for the last 2 decades.

## THE QUEST FOR GROWTH: COMPETITION AND INDUSTRIAL POLICY, COMPLEMENTARY OR ESTRANGED BEDFELLOWS

There is no doubt that very high on the agenda of most Jamaicans is the issue of economic growth. Economic growth means the expansion of the goods and services produced by an economy; simply put, it means expanding the wealth of a country. As the economy grows, more resources become available for the provision of public services, law and order, public health, education etc. It would normally mean that on average the Jamaican people would be getting richer and therefore able to provide more of the things which they want for themselves. The issue which we want to look at this afternoon is “what is the path to having the fastest rate of growth and therefore the likelihood of attaining all the good things which we associate with economic growth.” Is it competition policy? Is it industrial policy? Are the two compatible or not?

As important as economic growth is, it is not the main objective of policy makers. The ultimate objective of any society must be to maximize social welfare. We can think of social welfare as the well-being of people living in a society. Economic growth is more closely associated with the growth of profits. One could of course make the case that as profits increase more money is available for investments which would likely result in more people being employed and prices falling. The general thinking, therefore, is that economic growth will benefit not only firms, but workers and consumers.

The natural impulses of competition policy and industrial policy tend to be in conflict. Competition policy starts with the assumption that the market is the best allocator of limited resources. Industrial policy is aimed at changing the signals sent by the market. A policy decision is taken that a particular sector is important and should be encouraged. It is felt that the market signals are either incorrect or not strong enough to shift resources to the preferred areas. One has to ask the question: on what basis do the policy makers decide which are the preferred sectors? Why is one sector more likely to grow than another? Can the policy makers see into the future and predict the growth areas? In order to implement industrial policy the Government must alter the incentive structure which individual firms face. The preferred sectors are given more favourable conditions; this tilting of the playing field will cause resources (capital and labour) to flow into the preferred areas and away from the non-preferred ones. The policy makers are convinced that the flow of resources to the preferred areas offer the best hope for growth.



### **Peter-John Gordon (standing at podium)**

On February 22, 2017, Dr. Peter-John Gordon, of the DoE, delivered the 17th Annual Shirley Playfair Lecture. Excerpts from his speech are presented here.

The Annual Shirley Playfair Lecture focuses on Competition Law and Policy and seeks to facilitate healthy public discussions on competition. The first lecture was held in September 2000 to celebrate the life and work of the late Mrs. Shirley Playfair, the first chair of the Jamaica Fair Trading Commission.

(Photo Credit: The Jamaica Fair Trading Commission)

Industrial policy may take many forms: e.g. preferential access to capital; differential tax rates and government expenditure favouring the preferred sectors. Industrial policy usually has a trade policy component i.e. the conditions under which the preferred industries compete with imported commodities. High tariffs and quantitative restrictions on imports are among the instruments used to provide protection.

It is very important to realize that when there are preferred sectors those sectors which are not preferred are not unaffected; they are usually made worse off by the preference given to others, both in an absolute and a relative sense. The government might restrict the importation of a particular commodity using tariffs or quantitative restriction so as to facilitate the development of Jamaican competitors. One might be tempted to think that there are only Jamaican winners from such a policy stance and the only losers are the foreign firms which have had their access restricted. For example the government might decide that the milk industry needs to be protected against imports because local consumers are buying imported milk as a result of its lower prices. The government's action would ensure that the price of the foreign milk is increased so that it is no longer

cheaper, thus leaving Jamaican consumers to purchase the local milk. The Jamaican milk producers are therefore able to compete more favourably and sell their milk. Jamaican consumers are however made worse off because they are forced to pay higher prices. With higher prices, a given money income buys less i.e. the real incomes of Jamaican consumers fall. This policy does not result in a transfer of wealth from foreign milk providers to domestic milk providers; rather it engineers a transfer of resources from domestic consumers to the domestic dairy industry.

Industrial policy when stripped to its core is really about picking winners (and losers). Who decides which are to be the preferred sectors and/or firms? This process is rife for political capture. Well organized, politically connected entities are more likely than others to capture the State or have the State serve their interests. But even if we were able to control political capture and use only technical knowhow we would still be guessing in the dark. Not too dissimilar from betting at Caymanas Park on a Saturday. Remember that what industrial policy does is to encourage resources to flow towards given areas and away from others.

I have outlined the inherent conflict between competition policy and industrial policy. There is a vast economic literature which shows conclusively that free and open trade results in faster economic growth and greater wealth creation. For every successful application of industrial policy we can find even more failures. The successes of industrial policy are not necessarily due to smarter people and greater efforts but more likely to luck, in the same way that every horserace has a winner. Yet in spite of all of this academic evidence, we are living through a period where more and more people seem to be clamouring for a withdrawal from globalization, from free trade and the chorus for protectionism is growing. We see this in Brexit, and in the revolt of the white working class in the recent US elections. There's a wind of right wing populism that is blowing in Europe that has now reached the United States.

Economists have always known that with free trade there are winners and there are losers. We have waved our hands proclaiming that the winners gain more than the losers lose and so society can be made better off without anyone becoming worse off if only the winners would compensate the losers. But of course they never do. This leaves the losers very angry. We have been experiencing the phenomenon of jobless growth in some countries. We see a worsening of income distribution within countries. Whether the losers are angry because of the worsening income distribution or simply because they are made

worse off in an absolute way or because they have not progressed as fast as they would like is an interesting question. The policy responses would be vastly different depending on the answer to this question.

Persons, who despite their best efforts see their standard of living falling, do look for someone to blame. International trade, open markets and immigration are prime targets. The true situation is, however, that many of the jobs which have been lost will not return. These jobs are lost not to outsourcing facilitated by trade, but to increased productivity, mechanisation and artificial intelligence.

Jamaica is not immune to these technological changes. There was a time when every office had many secretaries and a pool of typists. There were schools such as Duffs, Fitz-Henley and Alpha Commercial to train people for these jobs. These jobs have mostly disappeared due to the advent of the personal computer, and so too have the training institutions just mentioned. Without Automatic Teller Machines and internet banking employment in banking for rudimentary skills would be greater. No one would seriously argue however that the benefits of more conveniences and greater efficiency should have been sacrificed to preserve these jobs.

What should be the appropriate policy response to these changes and anxieties? Should we seek to slow technological progress and wealth creation to give ourselves time to figure out how to make the process more inclusive? We see the destruction of jobs but we are not clear in which areas the new jobs will emerge. Furthermore, the skill sets for the new economy might be significantly different from that of the old economy. Younger folks are best suited for acquiring the knowledge for the new economy. If Jamaica's sugar-cane industry should disappear at the same time that an equal number of jobs opened up in information technology, it is most unlikely that a sixty year old sugar-cane cutter could transition smoothly, or otherwise, into information technology.

The political reality is that displaced people in sufficient numbers can have devastating effects on a system capable of creating vast amounts of wealth. They have nothing to lose. The winners can compensate the losers, but what are the policy measures which would allow this without distorting people's incentive to study, work hard and make risky investments? Will we have to trade-off higher levels of wealth for more stability? Will some sort of industrial policy have to slow down growth in order to guarantee some amount of stability in the political economy? Will industrial policy have to become an estranged bedfellow with competition policy?



## POLICY DISCUSSION SERIES



L-R: C. Kirton, R. Byles & C. Clarke.

### JAMAICA'S CONTINUING MEMBERSHIP OF CARICOM

The DoE's second instalment of its Policy Discussion Series, was held on Wednesday November 16, 2016, UWI Mona campus. The highly respected and experienced panel of domestic and regional experts (inclusive of two former prime ministers), provided insights from different perspectives and, of keen interest, raised important considerations and implications for policy decisions on the CARICOM integration project. See more information [here](#).

In keeping with its mandate to contribute to public discourse on economic issues affecting Jamaica, the Caribbean, and the wider world, the DoE held a series of policy discussions in the academic year 2016/2017.

### JAMAICA AND THE IMF BEYOND 2017

The DoE's first public forum for the academic year 2016./2017 was held on October 13th, 2016. A panel of experts traced Jamaica's past relationship with the IMF and explored the country's future coming out of a successful adherence to the IMF's recommendations under the four year extended fund facility. See more information [here](#).



L-R: B. Golding, D. King, O. Arthur & L. Watson

### IMPLICATIONS OF JAMAICA'S 2017 BUDGET

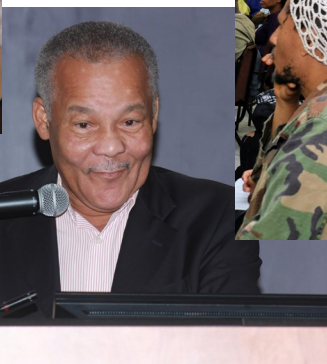
On Thursday, 23rd March, 2017, the DOE University hosted a post budget discussion forum, at the Multi-function room of the UWI, Mona main library. The forum was part of the DOE's policy discussion series. The aim of the forum was to facilitate public dialogue on the implications of the government's budgetary measures on households and the private sector, as well as the implications for the macro-economy, including inflation and government's 5' in 4' growth target. See more information [here](#).



L-R: D. Wignall, C. Bullock, J. Burrell, S. Eaton, & A. Haughton



# POLICY DISCUSSION FORUMS PHOTO GALLERY





## SCARCE FEST JAMAICA 4/20

Scarce Commodity in Association with the Ganja Growers and Producers Association of Jamaica (GGPAJ) successfully hosted the inaugural Jamaica's International 4/20 Cannabis Day Celebrations, Scarce Fest and Cannabis Cup held on the 20<sup>th</sup> of April 2017 at the Jamaica Conference Centre, Kingston, Jamaica. Dr. Andre Haughton is one of the principals behind the new company, Scarce Commodity.

Scarce Commodity's mission is to constantly add value to, and increase the transparency of cannabis cultivation, postharvest, processing, manufacturing, labelling, distribution and dispensing processes locally regionally and internationally. The strategic plan is designed to increase the value of the Caribbean Cannabis Economy (CCE) and empower all affiliated stakeholders.

Scarce Commodity conducts economic impact assessment of cannabis related activities to fully track the value of the local and regional industries to the Global Cannabis Economy (GCE). This will allow all Caribbean cannabis industries to increase market share in trading of the commodity in timing of the global index.

Scarce Fest was well supported by a diverse group of local and international cannabis growers, producers, investors, entrepreneurs and interest groups who engaged in high level discourse in a peaceful, calm, irie and relaxing atmosphere. More than 15 booths were on display, showcasing a wide variety of cannabis and hemp strains and bi-products that are currently being researched and developed by Jamaicans across the island.

Smoothies, shakes, cookies, cupcakes, gummy bears, oils, lotions, soaps, rum, water, wine, female genital lubricant, fertilizer and many more, as well as, all sorts of hemp material, hemp board and hempcrete were readily accessible for viewing and examination. These were sampled and purchased by local and international invitees. It was a very mature crowd, cannabis edibles were consumed and the event was incident and trouble free. There was a genuine appreciation for what Jamaica truly has to offer to the rest of the world, which is a major step in the right direction for Jamaica's cannabis and hemp industries. The GGPAJ's guest speaker, world renowned cannabis investor Mr Anton Mattadeen, appeared to be very impressed with the variety, quality, healthiness, wholesomeness and creativity of the products that were present on display.

The Jamaica Stock Exchange is now more enthused and excited about the industry and increasing Jamaica's share in it.



Andre Haughton of the DoE making a presentation at Scarce Fest.

They were also pleased with what they experienced first-hand. 'Ganja users are very responsible, calm and peaceful people,' a tourist outlined when being interviewed by SCARCE Commodity TV. The overall responses from everyone including tourists, the Rastafarian community, politicians, investors, ganja growers and producers was nothing less than excellent and first class. The overseas patrons exclaimed the importance of adding structure, shape and form to the industry, if Jamaica wants to compete in the global market place.

In addition to Scarce Fest, the inaugural Jamaica Cannabis Cup organized by Scarce Commodity in association with Ganja Growers and Producers of Jamaica was well received. There were six categories: best CBD flowers, best THC flowers, best Ital flowers, best cannabis edible, best cannabis drink and best non-edible. The Jamaica Cannabis Cup saw forty-seven (47) entries on the day showcasing the diversity and creativity within the Jamaica Cannabis Industry from cannabis strains developed by local breeders grown under different cultivation regimes, delicious cannabis edibles with detailed labeling, cannabis infused drinks, etc.



### Contact Information

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[www.scarcecommodityja.com](http://www.scarcecommodityja.com)



## THE INAUGURAL WEST INDIES ECONOMIC CONFERENCE

The Department of Economics (DoE), UWI-Mona, held its inaugural West Indies Economics Conference (WECON) on March 9<sup>th</sup> and 10<sup>th</sup>, 2017. The theme of the conference was, “Small Economies, Unlimited Possibilities.” The keynote speech was delivered Prof. Arye Hilman, Professor Emeritus at Bar-Ilan University. His fascinating and insightful presentation occurred during the opening ceremony on the first day. The conference also featured an informative talk by Prof. Wilfred Ethier, Professor Emeritus at the University of Pennsylvania.

Over the one and a half days, twenty-five papers were presented by academics from 10 countries. The topics explored included labour market discrimination, income inequality, tax compliance, the impact of hurricanes, finance, trade etc. Approximately 120 people were in attendance including representatives from the public and private sectors, and students and colleagues from UWI and other tertiary institutions. The conference provided an opportunity for academics from around the world to discuss important issues affecting small economies, and to share ideas about future research and research methodologies.

"I've attended numerous Caribbean conferences since 2007. I have to say this one had the highest concentration of good papers and work."

~ WECON Participant

While it was the DoE's first time “out of the gates,” the conference was well executed, and has helped to re-ignite an atmosphere of research and scholarly exchange within the DoE. Many participants expressed their appreciation for the conference and promised to return for future engagements.

# WECON 2017

10 Countries

25 Papers

120 Attendees



Arye Hillman delivering his keynote speech.  
See video [here](#).



A section of the audience at the opening



A section of the audience at a session



# WECON 2017 PHOTO GALLERY





# WECON 2017 PHOTO GALLERY





## Publications

### Journal Articles:

Fray-Aiken, C. M., Wilks, R. J., **Abdulkadri, A. O.**, & McCaw-Binns, A. M. "Cost of care of chronic non-communicable diseases in Jamaican patients: the role of obesity." *Farneconomia. Health economics and therapeutic pathways* 17.2 (2016): 81-95.

**Haughton, Andre** (2016), "Current Account & Real Exchange Rate Dynamics in the Caribbean and Latin America Compared to the G7 Countries." *Theoretical Economics Letters*, **6**, 1145-1168.

**Haughton, Andre** and Iglesias, E.M. (2017), "*Exchange Rate Movements, Stock Prices and Volatility in the Caribbean and Latin America*," *International Journal of Economics and Financial Issues*, 7(2), 437-447.

**Keil, Jan** (2016), "Depreciated Depreciation Methods? Alternatives to Sraffa's Take on Fixed Capital." *Review of Political Economy* 28(4): 566– 589.

**Keil, Jan** (2017), "Explaining the Concentration-Profitability Paradox," *Review of Political Economy*, 29:2, 209-231

**Keil, Jan** (2017), "The trouble with approximating industry concentration from Compustat," *Journal of Corporate Finance*, 45, 467-479

**McCloud-Rose, Nadine**, Delgado, M. S., & Kumbhakar, S. (n.d.). Foreign Direct Investment and Growth Symbiosis: A Semiparametric System of Simultaneous Equations Analysis. *Journal of Econometric Methods*.

**Spencer, Nekeisha** (2017). "Are Tropical Storms a Failure Warning? Evidence from Standardized School Examinations", forthcoming in *International Journal of Disaster Risk Reduction*. DOI: 10.1016/j.ijdrr.2017.05.016

### Technical Report:

**Whitely, Patrice**, Christie Tamoya "Improving Tax Compliance in Jamaica". USAID, October 2016

## Seminars & Public Forums

**Clarke, Christine** "Developing Jamaica Beyond 2017," DoE Policy Discussion Series, "Jamaica & the IMF Beyond 2017," October 13, 2016, UWI, Mona.

**Gordon, Peter John** "*The Quest for Growth: Competition and Industrial Policy, Complementary or Estranged Bedfellows*," 17th Annual Shirley Playfair Lecture, February 22, 2017, Pegasus Hotel.

**Haughton, Andre**, "The IMF the Growth Agenda and Good Economics," DoE Policy Discussion Series, "Jamaica & the IMF Beyond 2017," October 13, 2016, UWI, Mona.

**Haughton, Andre**, "*Impact on Household Livelihoods*" DoE Policy Discussion Series, Post Budget Forum, March 23, 2017, UWI, Mona.

**McCloud-Rose, Nadine**, Delgado, M. S., & Holmes, C. “Does a stronger system of law and order constrain the effects of FDI on government size?” Department of Economics Seminar, October 27, 2016, UWI, Mona

## Conference Presentations

**Braithwaite, Samuel** “*CARICOM Trade Multilateralism: A Gravity Model Approach*”, Department of Economics, West Indies Economic Conference (WECON), March 9-10, 2017, Kingston, Jamaica.

**Braithwaite, Samuel** “*Guyana as a location for a Charter City*”, University of Guyana, Diaspora Engagement Conference, July 24 & 25, 2017, Georgetown, Guyana.

**Ghartey, Edward** “*Empirical Evidence of Nonlinear Effects of Monetary Policy Reaction Functions in a Developing Country*,” at the African Finance and Economics Association (AFEA) Session, ASSA/AEA Annual Meeting, January 8, 2017, Chicago, USA.

**Haughton, Andre** “*Asymmetric Dynamics Between oil Prices and Real Exchange Rates in the Caribbean and Latin America*”, Department of Economics, West Indies Economic Conference (WECON), March 9-10, 2017, Kingston, Jamaica.

**Keil, Jan** “*Is There Causal Effect of Concentration on Persistent Profitability Differentials?*” Department of Economics, West Indies Economic Conference (WECON), March 9-10, 2017, Kingston, Jamaica.

**McCloud-Rose, Nadine**, Delgado, M. S., & Holmes, C. “*Does a Stronger System of Law and Order Constrains the Effects of Foreign Direct Investment on Government Size?*” Department of Economics, West Indies Economic Conference (WECON), March 9-10, 2017, Kingston, Jamaica.

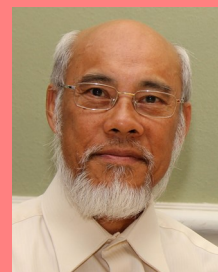
**McCloud-Rose, Nadine**, Delgado, M. S., & Braithwaite, S. “*A Symbiotic Analysis of capital inflows and exchange rates: Does Government Stability Matter?*” Silvaplana Workshop in Political Economy: 23–27 July 2017, Switzerland.

**Spencer, Nekeisha**, Alecia Evans, Abdullahi Abdulkadri “*Jamaica Energy LINDA Model: The Vision 2030 Target*” Future Energy for the Caribbean: PROCEED Dissemination Conference, November 2016, Barbados and Jamaica.

**Spencer, Nekeisha** “*Hurricanes Take a Hit Economic Welfare: Evidence from Household Panel Data*” Department of Economics, West Indies Economic Conference (WECON), March 9-10, 2017, Kingston, Jamaica.

**Spencer, Nekeisha**, and Eric Strobl. “*Crime Watch: Hurricanes and Illegal Activities.*” SALISES Conference, Trinidad, April 2017.

**Whitely, Patrice** “*Class Discrimination: Evidence from Racially Homogeneous Labour Market*”, Department of Economics, West Indies Economic Conference (WECON), March 9-10, 2017, Kingston, Jamaica.



L-R: Sherona Forrester, Patrick Johnson, Kimoy Soley, Petri-Ann Watson and Terence Yhip

## ADIEU & WELCOME

Towards the end of the academic year 2015/2016, and during the academic year 2016/2017, some members left the department (see information above), and others joined (see information below). We wish them all every success in their new endeavours.



L-R: Shamar Bennett, Shakeba Foster, Sherdon Saunders and Shanike Smart



## SIR DWIGHT VENNER

On December 22, 2016 the Caribbean lost a distinguished Central Banker, Sir Dwight Venner. A St. Lucian by birth, Sir Dwight is a son of the University of the West Indies, Mona. Sir Dwight completed a Bachelor of Science and a Master of Science, both in economics, at the UWI, Mona. He went on to serve as a Junior Research Fellow at the then Institute of Social and Economic Research (ISER), UWI, Mona, and later joined the faculty of the Department of Economics (DoE) as a lecturer, a post he held from 1974 to 1981.

Upon completing his stint as lecturer, Sir Dwight returned home and served as Director of Finance and Planning in the St. Lucian Government. In 1989, he became the Governor of the Eastern Caribbean Central Bank (ECCB). A position he held until his retirement in November, 2015. He was the ECCB's longest serving governor, and the recipient of several awards and titles, such as, Knight Commander of the Most Excellent Order of the British Empire (St. Vincent & the Grenadines - 2001), and the Saint Lucia Cross (2011).

Sir Dwight was married, and fathered seven children.

Poem read by the Hon. Dr. Ralph Gonsalves, at Sir. Dwight Venner's funeral service.

### Death of a Comrade

Too soon, too soon  
our banner draped for you.  
I would prefer  
the banner in the wind  
not bound so tightly in a scarlet fold –  
not sodden sodden  
with your people's tears  
but flashing on the pole  
we bear aloft  
down and beyond this dark dark lane of rags.

Dear Comrade  
if it must be  
you speak no more with me  
nor smile no more with me  
then let me take  
a patience and a calm –  
for even now the greener leaf explodes  
sun brightens stone  
and all the river burns.

Now from the mourning vanguard moving on  
dear Comrade I salute you and I say  
Death will not find us thinking that we die.

~ Martin Wylde Carter



Sir Kenneth Dwight Vincent Venner (1946 - 2016)

### Excerpt of tribute to Sir Dwight Venner, by UWI Vice Chancellor, Sir Hilary Beckles.

"I remember it well, as did everyone whose eyes witnessed the event. It was the ending of the 1980 Jamaica cricket season, and I was called upon to bowl the last over in a tense match between The UWI, Mona Campus, and the Kingston Cricket Club.

With the opposition requiring just a few runs to win and The UWI in need of the last wicket, I nervously bowled the most ordinary, unacceptable of balls. It was wide and short outside the off-stump, and the batsman, seeing glory, looked to the point boundary and swung.

What followed was a bespectacled, excessively afroed, Venner in his customary second slip position diving full stretch to his left, eating grass along the way, and emerging from his undignified posture with ball held aloft!

The batsman stood his ground in shock and awe. But I had seen Venner do this kind of thing before. Everyone in the area, overwhelmed in jubilation, jumped upon Venner as he admonished us to watch out for his glasses. The umpire raised his finger. Then he calmly walked over to us and said to Venner, "I didn't go to church this morning, but thanks to you I know that God is alive because I have just witnessed a miracle".

This is how we knew the visionary Venner; always focused, always giving of his best for the team, always celebrated for his extraordinary efforts. The tale of the miracle in the middle of a dramatic moment is but a metaphor through which we can view the journey on earth of this spirit that was Sir Dwight."

~ Sir Hilary Beckles

## REMEMBRANCES OF SIR DWIGHT VENNER (“DWIGHT”)

The following tribute was prepared by Prof. Claremont Kirton (Dept. of Economics, UWI-Mona), for Sir Dwight Venner’s thanksgiving service.

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Our sincere condolences to Lady Lynda and the entire Venner family on the passing of Sir Dwight. Deepest sympathies from my family – my wife Lois and our children. Also from Dwight’s numerous comrades, colleagues and friends at the UWI, Mona; including Professor Joseph Frederick, Professor Mark Figueroa (former Dean of the Faculty of Social Sciences), Dr. Michael Witter (former Head of the Department of Economics ) and Dr. Marie Freckleton (Senior Lecturer in the Department of Economics) as well as many persons in the wider Jamaican society. The current Head of the Department of Economics at UWI Mona – Professor David Tennant – has asked me to express his sympathies on behalf of the department.

I am saddened by my absence today from this most important celebration of Dwight’s life. I have asked my dear friend – former UWI Vice Chancellor, Professor Nigel Harris – to share my remembrances with you all.

For me, I will never be able to speak of my brother, my comrade, my friend Dwight, in the past tense. Dwight is my bredren for almost 50 years. We first met in September 1967 when we were Economics students at UWI, Mona. We then joined the academic staff of the Department of Economics, at Mona, in the 1970s. We lived across the road from each other on University Close located on the Campus. Over the period leading up to Dwight’s departure from Jamaica, our families became very close. Dwight and I played cricket together as members of the UWI staff team.

Meeting Dwight for the first time represents a most endearing experience. Endearing for his simplicity, his affable character, his comradely approach and his welcoming personality. This is the memorable experience that one has on meeting Dwight for the first time.

Dwight is someone whose characteristics are difficult to match and almost impossible to surpass. His extraordinary character comprised significant strengths including his commitment to Caribbean development, his activist approach, his vision and his willingness to share ideas.

For us, his brethren, sistren, comrades and dear friends, Dwight is an extra ordinary human being. Much of his contribution to the Caribbean regional integration process has been and will continue to be highlighted by both academics and policymakers.

Dwight is a Caribbean man with a dedication to the development of the Region in ways that benefited the majority of Caribbean people. In targeting the achievement of this goal, he contributed to indigenous, innovative and critical thought, targeting significant attempts to solve the problems of our region.

Dwight is an ardent supporter of the University of the West Indies having studied at the undergraduate and post graduate levels at Mona. Many of his children studied at UWI. He is also the Chairman of the Council of the UWI Open Campus.

Dwight’s experience of Jamaica in the 1970s and his involvement in the formulation of a popular approach to the country’s development, was articulated in the “People’s Plan” of the late 1970s, of which he was part of broad based technical team. This provided him with an appreciation for the key elements of a national development effort targeting the materially dispossessed peoples of a developing country.

“Dwight is someone whose characteristics are difficult to match and almost impossible to surpass. His extraordinary character comprised significant strengths including his commitment to Caribbean development, his activist approach, his vision and his willingness to share ideas.”

Dwight’s experience with the IMF in Jamaica, during the seventies, impacted him greatly such that he internalized a deep aversion to the “one size fits all” prescriptions of the IMF and, more broadly, the Washington consensus.

Very importantly, Dwight is a ‘bredren’ who identified his place in our world and lived his life in the way that he chose. One clear indication of this approach is his hairstyle - his signature fluffy Afro, which transited from black to grey.

Interestingly, in a discussion some years ago, about developing countries' debt problems, the issue of debt defaults of various categories arose. This included suggestions regarding negotiations which would necessarily be involved as to how much funds creditors would be willing to accept, including the possibility of reduced principal and interest payments. A participant in the discussion posed the question, "Are you talking about a haircut?" Dwight did not entertain the use of such language about economic policy. Consequently, our colleagues respecting Dwight's sensibilities, decided to use other language to describe issues related to debt default and offers of reduced payments on the principals owed to creditors.

"Dwight's experience with the IMF in Jamaica in the seventies impacted him greatly such that he internalized a deep aversion to the "one size fits all" prescriptions of the IMF and, more broadly, the Washington consensus."

Allow me to cite one example of Dwight's humility, comradely attitude, and his genuine commitment to his colleagues and friends. There was an instance where a student from St. Lucia had missed classes for more than six months as he was very depressed. The student left the campus to reside in one of the socially challenged communities nearby. Dwight, along with another post graduate student, arranged to meet with the depressed student. Dwight listened attentively to his problems.

In this situation, Dwight was not judgmental and urged the student to be responsible to the people of St. Lucia and the wider Caribbean who were funding his studies at UWI. After one week, the student returned to classes and subsequently completed his degree. St. Lucia is the beneficiary of Dwight's sincere motivation of this student to complete his studies.

"Today's celebration of life demonstrates, in no uncertain terms, that our St. Lucian and wider Caribbean people are grateful to Dwight who has served us with dignity, commitment and resilience."

Dwight's cry for regional integration to enhance Caribbean development must not reach only one or two ears but the ears of millions of people in our Region and the wider Diaspora. We all must be inspired by his dedicated example to strive unwaveringly for Caribbean integration. His legacy is obvious and future generations must utilize his experience, his knowledge and his depth of thinking. We must recognize Dwight's vision and seek to implement what he has started.

Today's celebration of life demonstrates, in no uncertain terms, that our St. Lucian and wider Caribbean people are grateful to Dwight who has served us with dignity, commitment and resilience.

In the words of Nelson Mandela: **"Death is something inevitable. When a man has done what he considers to be his duty to his people and his country, he can rest in peace."**

I believe that Dwight has made that effort and he will therefore sleep for eternity.

**REST IN POWER, MY BROTHER.**

**Dwight lives! Long live Dwight!**





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