

## **College of Business & Hospitality Management**

### ***O. Corruption & Economic Performance: The Jamaica Experience***

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Numerous economic experts across the world now agree that corruption which ranges from bribery and extortion to nepotism- can have disastrous effects on struggling economies such as Jamaica. In a recent World Bank report, more than 150 high-ranking public officials and top citizens from over 60 developing nations ranked corruption as the biggest impediment to economic development and growth in their countries.

Corrupt practices drain government coffers, play havoc with free trade and scare away investors. The World Bank estimates that corruption can reduce a country's growth rate by 0.5 to 1.0 percentage points per year. IMF research has shown that investment in corrupt countries is almost 5 per cent less than in countries that are relatively corruption-free. Standard and Poor's, the bond rating agency, gives investors a 50 to 100 per cent chance of losing their entire investments within five years in countries with various degrees of corruption. It is widely acknowledged that corruption scares away foreign investment and development aid. It is wiser to invest in countries with more transparency, independent and well-regulated banks and strong court systems.

**Key words:** disastrous effects, struggling economies, corruption

### **Problem Statement**

Corruption is a widespread phenomenon which distorts the entire decision making process connected with public investment projects. This distortion is highest in countries without or with weak auditing. Economists worldwide are aware that corruption is associated with several phenomena such as higher public investments and lower productivity; lower government revenues; lower expenditures on operations and maintenance; lower GDP and higher levels of unemployment. However, relatively little is confidently known about the levels of impact it has on these macro-economic variables.

### **Purpose of Study**

- 1) This study seeks to establish the correlation between corruption (using CPI) and the respective macro-economic variables by using the mathematical technique of regression analysis.
- 2) To provide information with which policy makers, having been made aware of the adverse impact of corruption, will be forced to initiate and, implement policies to reduce the phenomenon of corruption.

**Research Method:** This quantitative research study utilized the regression analysis technique to determine the likely impact that corruption has had on Jamaica's economic growth and other macro-economic variables between 2000 and 2009. The corruption index (correlation technique) and economic growth is -0.5988 which presents an inverse relationship between economic growth and corruption.

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## ***O. The Impact of the Rosemary Plant on the Respiratory System***

Yvonne Billings

**Background to Problem:** A number of citizens in the parish of St. Elizabeth have been affected by respiratory challenges. Traditional medicines are now out of reach of many people and where they are able to access traditional medicines, these are not without side effects. St. Elizabeth is very fertile and a large number of rosemary plants grow there naturally. This plant has been used domestically; however, it has not been scientifically tested in its value for treating various ailments.

**Statement of Problem:** The need for a concrete study on the use of the rosemary plant and the cure of respiratory system challenges has been the concern of the researcher. This research investigation seeks to establish empirical evidence on the positive effect of the rosemary plant on the respiratory system. The positive outcome of this research will be used to formulate an effective herbal medication for respiratory system illnesses. It is therefore on this premise that the researcher sets out to conduct this research.

**The purpose of this study:** The primary purpose of this study is to conduct an experimental research investigation to discover the use of rosemary plant in the treatment of various respiratory ailments.

### **Research Questions:**

1. How can the use of the rosemary plant assist in the treatment of respiratory problems?
2. How can the development of this plant benefit the parish of St. Elizabeth, hence Jamaica?

### **Hypothesis**

1. The use of the rosemary plant in the treatment of respiratory ailments will not have any positive impact.
2. The use of the rosemary plant in the treatment of respiratory ailments will have a positive impact.

### **Methodology:**

This research investigation will utilize the experimental approach. With technical assistance from the Biology Department at Northern Caribbean University, samples of the rosemary plant will be processed and developed into a liquid substance. This substance will further be sent to the pharmaceutical lab for verification of the product's strength, properties and potential usage. A series of tests and observations will be conducted on voluntary participants

over a period of four weeks to assess the impact of the substance on the respiratory system. Interviews will be carried out with participants who will be using this product to be followed by wider sample distributions and questionnaires to participants in the district of Junction and surrounding communities.

*O. Corporate Governance: Best Practices in Jamaica*

Marcia Jackson

**Background** - Recent developments in the financial arena (global financial meltdown, US sub-prime mortgage crises, job losses, *inter alia*) have given rise to the need for stringent measures be put in place as it relates to corporate governance. Corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders (Organisation for Economic Co-operation and Development [OECD], 2006). Many studies have been written about corporate governance and different models presented (Becht et al., 2005; Bhasa, 2004 and Midttun, 2008). This paper seeks to identify a functional model for conducting best practices in Jamaica. Jamaica is a small open economy operating in an emerging market thus the model identified by this research investigation should be geared towards an emerging governance model to ensure global compliance.

**Research Method** - The study will use a mixed-methods approach as data will be collected from the published annual reports of companies listed on the Jamaica Stock Exchange and also will be based on the guidelines for good corporate governance as stipulated by the Financial Reporting Council, United Kingdom. Data will be collected on the bid/ask prices of stocks traded from the Jamaica Stock Market. The study will be guided by the sixteen principles underlying corporate governance practices in Jamaica, issued by the Financial Reporting Council, United Kingdom.

These variables will be related to operating performance, dividend payout and valuation. The data will be analyzed using descriptive and inferential statistics.

**Originality/Value** – The findings of this research can be used by the Private Sector Organization of Jamaica, as they have initiated a Code on Corporate Governance since 2006 as a progressive means of implementing and promoting best practices in Jamaica.

### **Problem Statement**

Jamaica has been ranked by Transparency International (2009) as having a Corruption Perception Index (CPI) score of 3.3 out of a possible 5. Thus, it is the intention of this paper to explore the field of corporate governance to examine whether or not the effect of this statistical information has impacted the operation of firms listed on the Jamaica Stock Exchange, with regards to best practices according to the guidelines stipulated by the Financial Reporting Council, United Kingdom.

The researcher is now faced with answering the following question; does corporate governance contribute to the protection of shareholders' interest versus the personal gains of directors and chief executive officers of the corporation?

### **Purpose Of The Study**

Attempts will be made in the course of the research to answer the following questions:

1. Does board composition have any relationship with audit quality of companies listed on the Jamaica Stock Exchange?
2. How does corporate governance align the interest of shareholders with that of decision makers?

**O. *Jamaica's Economic Development: The Role of Micro, Small and Medium-Sized Businesses***

Andrea Baldwin, Ph. D.

**Statement of Problem:** It has been shown that 17% of our productive workforce of 1.1 million are engaged in entrepreneurial activities (Miller, 2010). Jamaica is cited as one of the most entrepreneurial nations in the world next in line to New Zealand (Sharpe, 2009). An investigation into the sourcing of information on the composition of business types and the nature of businesses across Jamaica however has proved to be incomplete and sketchy.

**Purpose of Study:** This study will seek to investigate the types of entrepreneurial activities that are being undertaken in the country and the well-being of such businesses and their contribution to Jamaica's economic development. This large exploratory work will commence with the parish of Manchester and will be conducted as a longitudinal study.

**Research Questions:**

1. What is the nature of MSME's in Manchester?
2. Over what time period have businesses in Manchester been in operation?
3. What is the employment capacity of these businesses?
4. If these businesses were to be assisted with expansionary activities, what would these be?

**Methodology:**

An exploratory survey design will be used and data collected in the parish of Manchester using experience interviews, semi-structured questionnaires and possibly projective techniques with a stratified purposive sample of MSME's. Data analysis will be completed using SPSS and and Hyper-research.