

## Rent Regulation in Jamaica: Socialist Past, Global reality, Inaction and the Working Class

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**Abstract:** Empirical evidence has established the association between rent control and crises such as oil and World wars; yet the Jamaican governments have not reintroduced rent control and updated the Rent Restriction Act despite global recession, oil and food crises and increased poverty. The objectives of this work are: 1) To conduct a documentary analysis of prior research on the extent of the problem, and these will provide an understanding and a content for the current work; 2) To identify the issues/concerns of the Rent Restriction Act; 3) To assess the issues/concerns of the Rent Restriction Act, and 4) Drawing on the knowledge of Rent Restriction Act, recommend policies or measures that can be instituted to address changes in the framework in Jamaica. The current work used mixed method approach, phenomenology and survey research. Landlords indicated that they had more right than for tenants; their complaints were the non-payment of rent; were more knowledge of Rent Restriction Act than the tenants and the majority of them did not answer the question on "Have you ever had a case where the Act was referred to?" Two times more males were knowledge about the Rent Restriction Act than that of female; more males indicated that they had rights than that of females, less females' problem was harassment than that of males; more males gave the Rent Restriction Act a good rating compared to females and 3.5 times more males believed that the Rent Restriction Act was relevant in contemporary Jamaica. The findings provide understanding of the issues, and can be used to aid policy formulation.

**Key words:** Jamaica, landlord, poor, rent control, rent restriction, rent restriction act, rental of property, socialism, tenant, working class

### INTRODUCTION

Jamaica is an upper-middle income English-speaking Caribbean nation. It is located in the north-western section of the Caribbean Archipelago, with a total land area of 10,991 km<sup>2</sup> (Statistical Institute of Jamaica (STATIN, 1999). The country is classified into fourteen parishes, approximately 54% rural, total fertility rate was 2.4 children per women of reproductive ages (15-49 years old, in 2008), population was 2,698,810 (in 2009) (STATIN, 2010; PIOJ and STATIN, 1990-2010; PIOJ, 1990-2009), and life expectancy for both sexes was 72 years in 2007 (WHO, 2009). Outside of the aforementioned issues, the nation has experienced doubled digit inflation, financial meltdown, structural adjustment, the cost associated with structural adjustment, mistrust, low confidence in socio-political institutions, financial reform and financial crises (PIOJ and STATIN, 1990-2010; Powell *et al.*, 2007; Atkins, 2005; Kirkpatrick and Tennant, 2002; Peart, 1995; Witter and Anderson, 1991).

Jamaica experienced a banking crisis in the mid-1990, which influenced many aspects of the lives of

Jamaicans. According to the International Monetary Fund, "Public debt increased substantially after a banking crisis in the mid-1990s and currently stands at 128% of GDP, despite a program adopted in 2004 to reduce it to around 100% of GDP by 2009" (IMF, 2008). The banking crisis has contributed to reservation, apprehension and mistrust of the private sectors, particularly the financial system. A study by Powell *et al.* (2007) found that 12% of Jamaicans indicated having confidence in the private sector and that 30% of Jamaicans believed that the country is 'going' in the right direction. Powell, Bourne and Waller's work highlight the challenges of the post banking crisis on the operations of people. The banking crisis of the mid-1990s saw more than increased public debt to double digit inflation, unemployment, and poverty (Table 1), which further increased challenges for Jamaicans, particularly the working class.

The working class (poor or lower class) has been around since the plantation society. During the plantation society, there were peasants who were unable to afford many of the good and services that were enjoyed by the planter's class (Beckford, 1972). The peasants were characterized by:

Table 1: Selected Macroeconomic and health indicators, 1989-2009

Year	Unemployment (in %)	Illness (in %)	Health service utilization (in %)	Prevalence of poverty(in %)	Inflation (in %)	Average annual exchange rate Ja \$ per US \$	GDP growth per capita
1989	18.00	16.80	54.60	30.5	17.2	5.77	0.04
1990	15.30	18.30	38.60	28.4	29.8	7.18	0.03
1991	15.30	13.70	47.70	44.6	80.2	12.85	0.01
1992	9.40	10.60	50.90	33.9	40.2	23.01	0.02
1993	9.50	12.00	51.80	24.4	30.1	25.68	0.02
1994	10.90	12.90	51.40	22.8	26.8	33.35	- 0.02
1995	9.60	9.80	58.90	27.5	25.6	35.54	0.00
1996	10.80	10.70	54.90	26.1	15.8	37.02	- 0.02
1997	10.60	9.70	59.60	19.9	9.2	35.58	- 0.02
1998	10.00	8.80	60.80	15.9	7.9	36.68	- 0.02
1999	10.00	10.10	68.40	16.9	6.8	39.33	0.01
2000	10.20	14.20	60.70	18.9	6.1	43.32	0.00
2001	10.30	13.40	63.50	16.9	8.8	46.09	0.01
2002	10.60	12.60	64.10	19.7	7.2	48.54	0.01
2003	9.70	12.51	58.06	19.1	13.8	57.93	0.03
2004	11.7	11.40	65.10	16.9	13.7	61.34	0.01
2005	11.2	12.51	58.06	14.8	12.6	62.50	0.01
2006	10.3	12.20	70.00	14.3	5.7	65.88	0.02
2007	9.8	15.50	66.00	9.91	16.8	69.06	0.01
2008	10.6	8.70	72.90	12.3	16.8	72.92	
2009	11.4	10.60	77.10	16.5	10.2	88.49	

PIOJ and STATIN (1990-2010), *Jamaica Survey of Living Conditions*, various issues; PIOJ (1990-2009), *Economic and Social Survey of Jamaica*. Bank of Jamaica, *Statistical Digest*, various years. Bank of Jamaica. Average annual exchange rate; NI: No information

- Minimal subsistence
- Socioeconomic deprivation
- Material deprivation
- Wealth maldistribution
- Political isolation
- Poverty
- Suffering
- Marginalization

While this research is not concerned with slavery, plantation economy, oppression, suppression and the administration of plantation economy favoured the planter class including justice and privilege, land ownership and tenancy is a class matter about a privilege and an underprivileged class as was noted in the plantation economy (Beckford, 1972; Best and Levitt, 1976; Besson, 1995; Stolberg and Wilmot, 1992). This imbalance continues even in contemporary Jamaica as a study by Powell *et al.* (2007) reported on some critical issues in the society. Using a sample of 1,338 Jamaica (stratified random sample of the population of Jamaicans), Powell *et al.* (2007) found that 7 out of every 50 Jamaicans can be trust, and this is even lower for government (7 out of every 100). Powell, Bourne and Waller’s work also showed that 6 out of every 50 Jamaicans had confidence in the private sector (including financial institutions); 5 out of every 50 had confidence in large companies; 15 out of every 50 stated that the country is ‘going in the right direction’; 31 out of every 100 indicated that they current economic situation is at least good; 39 out of every 100 mentioned that their salary is able to cover expenditure; 15 out of every 50 like the workings of market economy in Jamaica, and that 69 out of every 100 believed that “...the country is governed for the benefit of a few powerful interests...” (Powell *et al.*, 2007).

The distrust in government, justice system, administration, and governance of the nation has political and historical antecedents. The peasant class was later defined as lower class (working or poor) was and is a marginalized group in Jamaica (Beckford, 1972). The peasants were given marginalized lands; paid low wages, sociopolitical oppressed, and travailed under the hands of the planters’ class (now upper class). In a book entitled ‘Class, status and social mobility in Jamaica’ a sociologist, Derek Gordon, opined that “The fundamental issue which research into social mobility in Jamaica must confront is the paradox of large scale social mobility generated by the opening up of new positions coexisting side by side with gross and, perhaps, even widening inequalities of opportunity between the minority at the top and majority at the bottom of the social order” (Gordon, 1987). Gordon’s perspectives highlight the struggles of those in the lower class (Beckford and Witter, 1982) in a system that people seeing social mobility defined by social stratification; yet, the income inequality continues and sometimes widen. The poor is reduced to menial low paid tasks, and these widen the probability of even coming out without political intervention, education or bequest. The challenges of peasant according to Beckford are “The plantation is a total economic institution. It binds everyone in its embrace to the one task of executing the will of the owner or owners. And because it is omnipotent and omnipresent in the lives of those living within its confines, it is also a total institution” (Beckford, 1972). The institutional legacies of plantation society continues in contemporary Jamaica, and while the definitions of stratification have changed as well as increased social mobility has occurred among the populace, but the rigid stratification has not change and the experiences of the poor have remained basically the same (Gordon, 1987; Stone, 1973; Stone, 1980).

Poverty and inequality are now influencing health, and other aspects of poor peoples' lives. The World Health Organization (WHO) has found that 4 out of every 5 people with chronic illnesses were in developing countries and that 3 out of every 5 global mortalities are caused by chronic illness (WHO, 2005). This implies that there is an association between poverty and chronic illness, and social deprivation and mortality. Studies by Van *et al.* (2000), Bourne (2009a), Marmot (2002), and Sen (1979) have shown that statistical relationship between poverty and chronic illness, poverty and social deprivation, poverty and poor health, unemployment and poverty, and poverty and less health care utilization. Although the market economy is said to be the best allocation of scarce resources, the realities in many economies have shown maldistribution in allocating resources to the economically vulnerable, poor peasants (Panitch and Leys, 2001; Wagstaff, 2001). The socioeconomic disparities between the poor and the wealthy extends beyond income to mortality, health, education and health care utilization in many Latin America and Caribbean nations (Bourne, 2009b, Bourne and Eldemire-Shearer, 2009; Bourne *et al.*, 2010; Savedoff, 2001; Wagstaff, 2001; Cortez, 2001; Mayer *et al.*, 2001).

Clearly this is increases in social mobility in Jamaica, modernization of nation (roads, bridges, hospitals, schools, churches, houses and ideology); but the poor was still economically marginalized in a market driven economy. By definition, in such an economic system, the income supports production, economic decision and spending. This means that resources will not be allocated for public good such as standpipe, streetlight, public education, social welfare and other items that are not highly profitable. The poor Jamaicans saw the modernity and like the peasants in the plantation economy were not benefiting from the economic structure. In response to the economic challenge and the call for survivability, within the context of the market economy, many poor people responded by squatting, selling, 'hustling' and other menial activities in order to 'get by'. The plight of the poor was noted even outside of Jamaica (1970s) and the market economy was modified to address some those issues. The new system was termed "mixed economy", which included aspects of socialism and government intervention, democratic socialism.

During the 1970s (from 1972-1980), Michael Manley (formerly Prime Minister of Jamaica) experimented with socialism in order to address many of the social inequalities in the society. The experimentation of the socialist regime of Michael Manley's government was such that many of those in the middle and upper classes emigrated, and this partly resulted in the collapse of the property values (Allen, 2006). Traditionally, during the plantation economy and up to 1970, the propertied class governed the society (Beckford, 1972) and the peasant (or working class) was on the periphery and owned mostly small marginalized lands (Besson, 1974; Besson, 1995).

Land tenure was a class phenomenon (Clarke, 1953; Beckford, 1972), and the poor are unlikely to change their situation without political intervention, special bequest or land reform nationalization. The conditions of the working class were the same globally (Panitch and Leys, 2001), and socialism (or communism) began providing education, work, food (or food stamp), water, and immunization to the peasants because capitalism had failed in doing just that, providing for the less economic class. The period of the 1970s in Jamaica, under Michael Manley's regime' ushered an emergence of social programmes geared toward uplifting the working class which was different from the industrial plantation, capitalism (or market economy) (Bernal, 1986). There was a restructuring of the Jamaican economy during the 1970s, and many of the socioeconomic disparities were been corrected with democratic socialism, which (API, 1974; Bernal, 1986) referred to as basic contradictions.

The land disparity, therefore, needed land reform as well as other social reforms that were created because of capitalism. Prior to the Michael Manley's socialism regime in the 1970s, the administrators in Jamaica had formulated a Rent Restriction Act on 9<sup>th</sup> October 1944 (GOJ, 1944), and amended on April 6, 1983 (GOJ, 1983), in regard to rented property and tenancy disputes. The Act was to govern the relation between landlord and tenants. The issues that were entailed in the Act did not alleviate the challenges of working class, land inequities and the land reform of the 1900s did nothing to address the land powered class, marginalized lands owned by the working class. Despite the intentions of the Act, it was believed that it was 'pro-tenant' and can arguably be seen as a fallacy as there is a wide disparity between the legislature and reality. Landlords often times disregard the statutes as a result of "Its one sided nature". Again the working class who require housing was a victim of capitalism (or free market). The Rent Restriction Act (the Act) had clear guidelines in matters relating to land use, the renting of land and formal interaction between landlord and tenants, and matters surrounding eviction among other issues (Allen, 2006). Further the Act had stipulations on penalties for non-compliance and breaches; yet these were blatantly disregarded by landlord who holds the power, like in the plantation society. They were disregarding the laws, and the working class was not at the mercy of this power interest group. The complaints were ventilated by the working class, and Michael Manley in the 1970s responded by the establishment of the Rent Assessment Board (1972). Politics was once again used to addresses some contradictions in the system with particular focus on disparities between landlord and tenants in relations to rental matters (Bernal, 1986).

Liberalization and structural adjustments have changed the landscape of Caribbean economies. Accompanying liberalization and globalization is the sociopolitical and economic changes that have emerged, modernization without the benefits of industrialization and poverty alleviation (Rapley, 2002).

In the wake of fiscal austerity (1980s-1990s) (Rapley, 2002), developing nations continue to struggle with the problems of poverty, inequality, inequities, health inequalities between the poor and affluent and landholdership, governments are caught into international restrictions and wanting to aid the developing of their respective nations are unable to do so because of a reduction in government spending, "belt tightening". Government retrenchment and deregulation have compounded the problems in developing nations, particularly Jamaica post-1980s, and landlords have used the market to determine cost of property, which was not available development. One academic researcher wrote that "For the first couple of years [after the economic crises in the mid-1980], conditions worsened and gross domestic product fell, but not everyone was losing out" (Rapley, 2002). Among the non-losers were landowners, privatization was not aiding the effectiveness of structural adjustment and while some benefit the non-property owners faced with the difficulty of survivalability, including paying increased rent owing to doubled-digit inflation in nations like Jamaica. "A private firm will ignore a subsector that is important to national development if the returns are too low and the risk too high" argued Rapley (2002), suggesting returns on investment took precedence over social development. It can be deduced from Rapley's work that the economically vulnerable in Jamaica were opened the elements of destruction in the interest of profits and high returns on investment, particularly poor tenants.

Land owners continue to be a challenge in developing nations, and this is no exception in Jamaica as they are self-interested and profit-maximizing creatures. In Jamaica, there is land, property and leasehold scarcity. Accompanying land and leasehold scarcity is high prices, power of ownership, victimization, injustices and privilege class over the underprivileged class. The underprivileged class is the same working class or the peasant class of old who is called upon to operate in an economic climate that is favourable to powered class and offers them little for their labour. According to Besson (1995) "The case study also adds a new dimension to the analysis of the move to Crown Colony Government following the Morant Bay Rebellion with its demands for land in 1865, highlighting the exclusion of the post slavery peasantry from the land-based political process and the reassertion of planter power" (p. 112). Besson's proposition highlights the challenge of the working class in relation to land ownership, and the class stratification that existed in pre-independent Jamaica, how disparities are likely to emerge between the land owners as well as house owners and tenants.

Besson noted that land reform in Jamaica did not change fundamentally the position of the working class, and these are embedded in the perspectives outlined below:

Veront Satchell's chapter, "Government Land Policies in Jamaica during [the] Late Nineteenth Century," focuses on the period following the Morant Bay Rebellion. This was typified by disorganized agrarian relations and a paradox of constrained peasant land acquisition coinciding with an abundance of unused land. Satchell shows that government policies from 1866 to 1900 reinforced the plantation system rather than developing the peasantry (Besson, 1995).

In Jamaica, the reality was that land reform between 1866 and 1900 had maintained the social stratification and structure; the working class was again marginalized. This was noted by Espeut (Besson, 1995):

Espeut's related argument that "whereas land for peasant activity was scarce in Barbados it was fairly common in Jamaica" (p. 71) similarly neglects the constraints of land acquisition facing the Jamaican peasantry, underlined not only in my own work but also by Beckford and in the chapters by Wilmot, Satchell, Augustin, and McBain.

Based on Espeut's work as well as that of Beckford, Besson, Clarke and others, politics was enhancing the social changes, and since pre-independence, there has been land reform but politics had played along the lines of the affluent class. The empowerment that the working class sought was material improvement and land as well as house ownership was a part of this expectation. Land was, therefore, used and seen as social power. And this accounts for the grievances that are entrenched in the society, which dates back to plantation society (Besson, 1995; Beckford, 1972). And has modernization occurred, land maldistribution remained the same in developing nations with the poor struggling to pay rent.

The Rent Restriction Act promulgated October 9, 1944 and amended in 1983 is believed to be inadequate for the current Real Estate Industry. This view is held by practitioners and those affect by the Act (landlord and tenant), as many of the Act's provisions are archaic and biased. On June 6, 2008, it was reported by the Jamaica Information Service (JIS) that the Rent Restriction Act was being revised. The article stated that the revisions were being made to "ensure that the rights of landlords and tenants are equally protected, and to provide a mechanism for speedy dispute." (JIS, 2005). Dr. Horace Chang (JIS, 2005) postulated that the amendments were necessary because of the inadequacy in the Act and the current realities. He stated that "while it is the dream of most persons to own their home, the reality is that, no matter what mechanism a government puts in place to provide shelter; this dream will never be realized at all." Embedded in the Chang's perspective is the importance of the Rent Restriction Act.

There have also been letters to the Editors in the printed media, which have postulation positions on the proposed legislations. An example here is in an article entitled "Revisit Rent Restriction Act" published on August 3, 2010, the writer spoke of the "atrocities of the past" (Spencer, 2010). The writer opined that there have been illegal entries on premises by landlords. In an instance, Spencer noted that tenants have used particular clause to hold landlords at ransom. And the victimized landlord argued that "I have a problem with the law as it stands right now because, since a tenant can have a landlord arrested for padlocking the rented premises, the landlord should be able to call the police and have the tenant arrested for moving out without paying rent. We need to look again at the Rent Restriction Act" (Spencer, 2010), which highlight the unresolved grievances that cannot be addressed by an outdated Act. Within this context, it is timely to examine deficiencies of the Jamaican Rent Restriction Act, its applications, usefulness and relevance to the contemporary society, and to make recommendation for its modernization. There is paucity of studies on the matter, particularly from Jamaica; this research fills the gap in the literature by examining how deficiencies in the Act can be resolved, using a qualitative methodology, phenomenology.

There have been several calls for the amendments to the Rent Restriction Act because of its out datedness. According to Muir, "Political geography is involved in studying human claims and conflicts concerning the use, partitioning and ownership of the land and its resources" (Muir, 1997), suggesting the importance of politics in land issues. The dispute that may arise in land dispute will not remain the same invariably and so laws cannot remain stationary. Jamaica has transition from one sociopolitical economy of the slavery, pre-independency, independency, socialism, capitalism, mixed economy, liberalization and globalization, civil unrest, banking and financial crises, and structural adjustments. Following all those major events in the history of Jamaica, the socioeconomic landscape has changed. Hence, policies and legislation in the 1940s that are applicable would have undervalued the transformation of the sociopolitical climate since then and now (2012).

Practitioners in the Real Estate industry and laymen have complained about some of the provisions of the Act (Rent Restriction Act, which is referred here as the Act). Dr. Horace Chang [Minister of Housing and Water in Jamaica] has attested to the need for amendments of the Act. Land practitioners and valuers have suggested that the Act is rarely, 'hardly' or infrequently used by them as it is outdated and inapplicable within the present Jamaican society. There are so many issues relating to the Rent Restriction Act, its applicability, usefulness, practicality, complaints, and disparity between contemporary society's demand and the issues of the Rent Restriction Act on the time of institution; yet, there has been no study on assessing how the Act can be improved, so that it can be made more applicable and useful in our society.

The investments in buildings (for dwellings) require a significant amount of money. In Jamaica, there is a vast amount of money to purchase real estate. Some people invest in dwellings with the purpose of receiving returns on investment like on stocks, securities, gold, oil and other transferable goods or services. Housing is therefore a business transaction, which requires legislations as any other goods and services in the market. The housing market provides income for many people, and taxes for the government. This is therefore critical to increasing the government's revenue, and can also assist in organizing the local rental market.

Within the context of the housing market, because of social inequalities, governments are needed to intervene in order to assist the economically vulnerable, the lower class (poor). A research of this nature is important, as there have been many calls by landlords and tenants to have the Rent Restriction Act to be revisited. It is also useful as the revision of the Act, can eventually enable and assist the government in restructuring the current tax system. It will also contribute to the knowledge base of practitioners in the industry and will improve the overall efficiency of the island's real estate industry.

## CONCEPTUAL REVIEW

Jamaica got independence on August 6, 1962 "after nearly 300 years of British colonialism" (Bernal, 1986). Although there was Land Reform between 1866 and 1900, the economy was governed under a capitalism system which means that land rental and/or property rental would be determined by market forces, market price. Property rental was not a subsidized good and this meant that prices would change based on market conditions. Market conditions were continuously changing, rental prices were fluid and economic growth would see increased prices. Nations like Jamaica that ascribed to capitalism (market economy) realized that they had to institute measures that would address the rapid fluctuations in rented property prices. There were problems associated with the unregulated property market, because without price floor and/or ceiling, governments were unable to protect the economically vulnerable. Land and property are critical components in the production process, symbolizing that fluctuation in rental costs influence the production costs and this is equally the same for rented housing.

Jamaica, Trinidad and Tobago, United States and England did not have Rent Restriction Act before the 1900s. Then England instituted a Rent Restriction Act, which was contrary to capitalism and that the market should determine prices, a classicalist theorizing. It should not be surprising that capitalist economies had to respond to the persistent upward movement in rental prices, because people were requesting rent control. According to Block and Olsen (1981):

In the United States, rent control has been a local phenomenon, except during and immediately after the World Wars and in the early 1970s, when it was a part of the Economic Stabilization Act. It is all too often initiated without clear understanding of its effects or consideration of alternative means to the same ends. Although there is much evidence of the effects of this legislation, it is not easily accessible to concerned citizens and their representatives and, hence, has had little influence on the fate of proposed ordinances. Since rent control can have major effects on the well-being of individuals, this failure is particularly unfortunate (Block and Olsen, 1981)

Based on Block and Olsen's work, rent control is used as an intervention mechanism in market economy to address prices fluctuations. Nations in Western Europe, America and countries colonized by Western Europe (such as Jamaica, Trinidad and Tobago), prior to the 1900s were operating in classicalist theorizing that discourages government intervention; but this had to change in keeping with the public's outcry on rent increases. Because governments are elected to govern all in a society and not seemingly to favour a particular class (affluent), they had to intervene into the rental housing market in order to address grievances that could topple their administrations. Hence, this explains its implementation and usage by Western Europe. Block and Olsen summarized this by saying that:

In Europe, where it has been pervasive since World War I, governments have been moving slowly toward decontrol for more than a decade. Therefore, it would seem more accurate to say that the introduction of rent control is politically feasible only in areas with no recent experience-because only an electorate uninformed of its consequences will support it (Block and Olsen, 1981, xiii).

Clearly Rent Control is a political decision, which has socioeconomic and political implications for the society. This economic tool according to Block and Olsen is used by the Americans as a part of the Economic Stabilization Act, suggesting that political institutions are called upon to regulate economic activities in a capitalist market, despite classicalist school's theorizing that the market economy should be left to the players and not be interfered with by governments. One economist, John Maynard Keynes, said that "The economic problem, ..., the problem of want and poverty and the economic struggle between classes and nations is nothing but a transitory and unnecessary muddle" (Beardshaw, 1992). Within the context that land owners (including property) is a class issue in most nations, governments will always be called upon to regulate rented property as a measure of alleviating the struggles between the classes, and protect their electability. It is this rationale why capitalist

economies like America and the England employ rent control, even though these nations epitomize the removal of government intervention.

Nations like Jamaica, and Trinidad and Tobago legislating Rent Restriction Act in 1944 and 1943 respectively were just framing rent control that did not existed before, because rent control had been long established as a measure to address economic instability in the property market (Block and Olsen, 1981; GRIT, 1944, 1981). Even though some economists were contrary to rent controls, some academic researchers opined that "Yet, such controls [rent] are still operative in many housing markets all over the world, not least in Sweden" (Ellingsen and Englund, 2003), indicating the sociopolitical legacy and economic usage of rent restriction control in nations. Rent Control was typical to developing and developed nations, which dates back to the early twentieth century. According to Ellingsen and Englund (2003). "In most industrialized economies, emergency of price controls on housing and other goods were introduced during both world wars in order to prevent landlords and other resource owners from taking advantage of the sudden scarcity" (Ellingsen and Englund, 2003). Rent control was used as economic measure that dealt with rental increases, and Ellingsen and Englund noted that this did not take into account general price increases.

Block and Olsen noted that in response to price fluctuations, particularly upward movement in rented property, the mecca of capitalism (United States) was intervening in the housing market, setting price floors and ceiling. They said that:

Part Three, "The Practice of Rent Control," marshalls the evidence distilled from the experience of six different countries over more than half a century. Beginning with the United States, Milton Friedman and George Stigler, in "Roofs or Ceilings?" compare two methods of dealing with housing shortages. The first, the price system, was used in the San Francisco earthquake of 1906 which decimated that city's housing stock. Rents were allowed to rise freely, but not even a single mention of a housing crisis was made in the first newspaper published after the earthquake-available a short five weeks later. The second method, rent control, was utilized in the far less serious housing shortage suffered by San Francisco in 1946. (Block and Olsen, 1981)

Because housing stock was not increasing in the same proportion as demand; so rented housing prices were increasing and many people were experiences rapid rental costs. This occurred in United States following a natural disaster, and during and after world wars. Jamaica had an earthquake in Kingston in 1907 that would have reduced housing stock, increased demand and prices. There was a rebellion in 1938, and the planter class being cognizant of

what obtained in England and recognizing the uncontrolled rental prices, the market could no longer be relied upon to regulated prices as the complaints and grievances were growing and needed to be resolved by the political administration, and this could justify the legislation of the Rent Restriction Act in 1944. Outside of natural disasters and rebellion in Jamaica, the land reform of 1866 to 1900 was still unable to adequately remedy the grievances between landlord and tenants. Another milestone that account for justification of rent regulation was the oil crises in the 1970s.

During the 1970s, there were the oil crises which explained a part of the increased inflation at that time and Ellingsen and Englund (2003) argued this justified the reintroduction of rent controls in Sweden. Jamaica like many other nations was experiencing exogenous price increases owing to oil prices, property owners had begun to increase rental costs as an adjustment to increased inflation, and the working class was now exposed to exploitation and abuses. The socioeconomic situations in Jamaica were typical in other nations, and in Sweden, Ellingsen and Englund (2003) wrote that during the 1970s, rent controls that had been abolished were reintroduced in the economy, and this was also the case in many US cities (Ellingsen and Englund, 2003; Block and Olsen, 1981).

Like the perspective of Ellingsen and Englund (2003), the voluntary rental contracts between landlords and tenants could not be relied upon and the government needs to intervene to correct unfavourable outcomes such as non-payment and harassment of rent by tenants. There are instances when tenants are unable to pay the market price of rents, and like Ellingsen and Englund (2003) said "Tenants cannot be evicted without a just cause. For such a rule to have any meaning, it must be coupled with a provision that rents may not be raised above general market levels, so as to prevent landlords from abusing their bargaining positions." (p. 6). This then provide a platform that explains the 7.5% maximum allowable price change in annual rent in Jamaica (The Rent Restriction Act). In Jamaica like Trinidad and Tobago, and Kenya, there were Rent Restriction Acts that outlined rules and regulation relating to rental of property, the renting of land and formal interaction between landlord and tenant, matters surrounding eviction among other issues (GOJ, 1944; GOJ, 1983; GRTT, 1944; GRTT, 1981; Ministry of Housing-Kenya, 2011).

The global oil crises in the 1970s was increasing cost of living in world, Jamaicans' reality was no different from the Swedish, Americans, British and other Europeans who were experiencing increasing pressure caused by the oil crises (Ellingsen and Englund, 2003; Block and Olsen, 1981; Bernal, 1986). Before 1972, the government at the time was the Jamaica Labour Party that supports a capitalist ideology about market economics, with minimal government intervention. During that time basic foods, rent, and other goods and services were increasing at a faster rate than income, suggesting that

poverty was increasing and the social challenges of Jamaicans were surmounting, without a personal remedy. The market economy could not be relied upon to address those realities, the poor to just do without or paid the market prices. Then in February 1972, the government was changed to one headed by Michael Manley (former Prime Minister of Jamaica) from the People's National Party (PNP). Recognizing the economic hardship of the economic vulnerable (working class), Manley began a social redistribution of resources (Bernal, 1986).

In keeping with its mandate to alleviate hardships of the poor, subsidies on basic food, a national minimum wage was established, maternity leave, maternity leave with pay, rent control and other social welfare programmes (including free education, educational scholarships to Cuba and skills training and national literacy campaign) (Bernal, 1986). It was during the socialist regime of Michael Manley that Rent Assessment Board was activate to address many of the grievances that had emerged owing to market driven nature of the economy, prior to 1972. The administration of Michael Manley was actively involved in the economy (Davies and Witter, 1980), and it appears that the lower class for once was empowered into a stake of Jamaica. The experimented democratic socialism of the PNP's administration had addressed some of the social inequalities in the economy (PNP, 1974; Bernal, 1986) that were there for centuries, under plantation economy and capitalism.

The socialist regime of the Michael Manley lead PNP administration had somewhat violated the welfare theory which stated that market intervention should be made to improve economic efficiency (Barr, 1998). Welfare theory also purports that governments can intervene in a market to improve social inequality among its citizens, and by so doing change welfare distribution. The Michael Manley administration was reducing the greater power that landlords had over tenants, which had cumulated over time. The limited housing stock in most society means that the landlords have more market power than tenants. This is a justification for rent control (regulation) as the imperfect market will see a greater price being charged by landlords for rented property, and tenants cannot respond but to pay the market price. In order to improve the equilibrium of an imperfect market Richard Arnott said that "Rent control is then desirable when the distortion is the unavailability of insurance against sharp and unanticipated rise in rent (Arnott, 1995). Within the context of the oil crises of the 1970s, increased cost of living, unstable rental prices, and the increasing discrimination against tenants, with the inability of the Michael Manley's administration to immediate build houses, housing stock was fixed in the short-to-medium run and rent regulations had to be a part of governments' reason for intervening in the housing market. These were justifiable reasons for the PNP's administration intervening in the housing market as was established in other countries (Haffner *et al.*, 2007).

Rent control provides tenants with an edge against unusually high rental costs increase (Ellingsen and Englund, 2003), which is an economic measure by in many industrialized nations and therefore when the PNP administration of the 1970s used it, the purpose was the same like in United States, France, Spain, England and Germany (Haffner *et al.*, 2007). Haffner *et al.* (2007) noted that in France, there are housing stocks that are built for the lower income group within the society. 'Social rental of dwellings' are housing stocks built from subsidized loans given to landlords to increase housing stock for rental to individual among the lower class (Haffner *et al.*, 2007). Like 'social rental of dwellings' during the socialist regime of the 1970s in Jamaica, the PNP administration framed an agency that was responsible for building houses to lower class residents, the National Housing Trust (Trust) in 1976. The Trust would subsidize the cost of houses to people in the lower class (National Housing Trust, 2009). Not only was the Trust increasing the housing stock and reducing the economic power of the affluent class, it was using redistribution social economics to cater to a group that was initially outside of the housing market. This is a part of the welfare approaches to address the socioeconomic inequalities in a society.

However, when the JLP under the leadership of the Edward Seaga (former Prime Minister) won the general elections in 1980, democratic socialism had given way to capitalism (Bernal, 1986). Democratic socialism was now replaced with economic openness; the Jamaican economy underwent another sociopolitical and economic restructuring. Market forces were determining price changes, and the Edward Seaga's administration played a lesser role in the economy compared to the PNP administration. During the 1980s, the Edward Seaga lead JLP administration had retained the National Housing Trust, but the capitalist class emerged once again as the dominant group. Seaga's ideology mirrored the Western nations, facilitating the minimalist role of the government in the economy, and the emphasis of alleviating hardships among the poor was no longer the focus and market was setting rented dwelling prices. Housing prices and cost of rented dwellings had begun increasing, the working class was finding it increasingly difficult to pay their rent, survive and educate themselves including their children from the meagre income they received. And the Trust was building less work as was the case under the socialist regime of Michael Manley.

Ellingsen and Englund (2003) opined that rent control has been used in many industrial nations to "prevent landlords and other resource owners from taking advantage of the sudden scarcity" (p. 3), suggesting that government intervention is a necessary measure to address social inequalities in the society. In Jamaica, during the 1980s, the scarcity of housing stock was causing prices to increase; landlords had more power than in the 1970s, and the Rent Restriction Act was outdated. This was then amended in 1983. The Rent Assessment

Board had begun operating with a new Act; but this solely was inadequate and inefficient to addressing the myriad of issues on rented property, tenancy, rights, and behaviour of landlord.

In keeping with requirements from the International Monetary Fund, in the late 1980s, there was structural adjustment. The cost of structural adjustments were great (Witter and Anderson, 1991) because of the increase in inflation, poverty, unemployment and human suffering. Statistics showed that the influence of structural adjustment was even felt in 1991, which inflation rose to 80.1% (Table 1) and poverty was 44.6%, which was the highest between 1989 and 2007. During that period, there was no measure geared toward regulating housing scarcity, landlord taking advantage of increased scarcity, and a Rent Restriction Act which was last amended in 1983. The challenges in Jamaica were many, and in the mid-1990s, there was also banking crisis, increased public debt and economic hardship (IMF, 2008). The statistics on poverty showed reducing post-1991 (Table 1), which means that there were programmes geared toward poverty reduction. Despite the social intervention programmes, which included poverty reduction, again in mid-1990, poverty increased to 27.8%, which is a 20.6% over the previous year (1994, Table 1). Jamaica underwent a financial crisis (Kirkpatrick and Tennant, 2002; Peart, 1995), which means that many people had experienced socioeconomic hardship including working class.

The economy climate in Jamaica drove many people to experiment into alternative investment schemes (CaPRI, 2008). The financial institutions were unable to pay depositors high rates of return on investment, and within an economic climate that of increased inflation, many people venture into investments with unregulated investment schemes (CaPRI, 2008). When CaPRI (2008) asked depositors what they used the returns for some the majority indicated 'paying utilities bills'. None of the investors were from the lower class (CaPRI, 2008), and based on the previous findings it can be deduced that the difficulties of the poor are not been addressed from alternative incomes generated from unregulated investment schemes. In fact, statistics revealed that remittances to Jamaicans had been declining since 2005, indicating that the consequences of poverty could only be reduced with social intervention programmes. Even though the PNP's administration was in power between 1989 and 2007, it had moved away from democratic socialism. But social programmes like Operation Pride, in which housing stock was increased, particularly among the poor, were used to cushion the burden of working class.

In summary, the Rent Restriction Act was last amended in 1983, and following this time there have been many socioeconomic crises (banking, financial, alternative investment schemes failure), rent regulations are substantially embedded in the Act, and the Rent Assessment Board is increasingly called upon to address matters relating to rented property, actions of landlords

and tenants. These documentary analyses highlight evidence of rent control around the world, issues in Jamaica on rent regulation and gaps between the socioeconomic realities of people who rent property and the currency of the Rent Restriction Act. The present work examines the following objectives: To conduct a documentary analysis of prior research on the extent of the problem, and these will provide an understanding and a content for the current work; To identify the issues/concerns of the Rent Restriction Act; To assess the issues/concerns of the Rent Restriction Act; and Drawing on the knowledge of Rent Restriction Act, recommend policies or measures that can be instituted to address changes in the framework in Jamaica;

### METHODOLOGY

Science is about the study of truth and not meanings (Balashov and Rosenberg, 2002), which can be obtained through empiricism as well as qualitative investigations. Qualitative inquiry mitigates against some of the inadequacies of objectivity, provides rich data on humans' experiences, and aids in a total understanding of people (Balashov and Rosenberg, 2002; Silverman, 2005; Neuman, 2003; Kuhn, 1996; Berg, 2001; Burnham *et al.*, 2004; Goel, 1988) Thus, qualitative inquiry should not therefore be seen as an alternate paradigm to quantitative inquiry, but as a member of the understanding apparatus. This supports Schlick (1979) argument that we cannot know the truth without knowing the meaning (p.15).

Max Weber was the first to argue that an 'Interpretivism' approach can be employed in the examination of social phenomenon (Haralambos and Holborn, 2002). Weber opined that why human behave the way they do is lost in quantitative methodologies (or positivism). He therefore, forwarded the use of subjectivity (feels, beliefs or meanings) in social inquiry. For years, the inquiry of social phenomenon was based on objectivity until Weber introduced an alternative paradigm.

One scholar (Thomas Kuhn) argued that science not only embodies objectivity, logic, precision and general principles as humans are social beings (Kuhn, 1996). As such, we must understand the meaning behind their behaviour which cannot be found by the use of objective methodologies. This gives rise to the use of subjective methodologies. One such subjective methodologies which is long established in the literature is phenomenology (Crotty, 2005; Silverman, 2005; Neuman, 2003; Berg, 2001; Burnham *et al.*, 2004; Goel, 1988; Hakim, 1987; Booth *et al.*, 2008; Babbie, 2007). Phenomenology is one of the methodologies in qualitative research that evolved from revolution of science. It focuses on a particular issue, in this case 'Deficiencies of the Jamaican Rent Restriction Act'. The current work examines a phenomenon 'Deficiencies of the Jamaican Rent Restriction Act' and in order to unearth people's perspective and evaluate the meanings that they ascribe to

issue, a qualitative approach is better because it provides the meaning system that guide in formulation positions. On the matter of why landlord take a particular position which is equally the case for tenants and the challenges that are embodied into these issues, people's value system, interpretations, and meanings are important that fashion a specific behaviour. This work is primarily framed around the subjective position of landlords and tenant, and such a quantitative approach will not unearth the how, and the subjective that dictates their behaviour. People's behaviour is complex and multiple epistemologies and methodologies are needed to evaluate the phenomenon. Within the context of people's interpretation and value system; thus, the researchers believe that this is best fitted in a qualitative perspective, phenomenology. According to Denzin and Lincoln (2005), "The word qualitative implies an emphasis on the qualities of entities and on processes and meanings that are not experimentally examined or measured (if measured at all) in terms of quantity, amount, intensity, or frequency" (p. 10), suggesting that qualitative research extends itself outside of empirical model, forecasting, predictability, and generalizability to the essence of issues. The actions of landlords and tenants on land tenancy are multiple modal, which the social experiences of each group is laden in meanings. The value-laden nature of current topic is such that it requires the answers to how social experiences of the two groups is created and given meanings that account for the different behaviour. This will be accommodated with particular methods:

- Case study
- Document analysis
- Statistical analysis
- Interviews (including elite interviews)
- Narrative analyses

### Instruments:

**Questionnaire:** Questionnaires were the choice of reaching the targeted population as a result of the relative ease of distribution and return. According to Babbie (2007) a questionnaire is a collection of questions or items included on a document which is designed to solicit feedback that is suitable for an investigation or study. It is also believed that this method is more efficient and less time consuming which also allows for greater control over the administering and data collection process. The questionnaires sought to cover areas such as the demographics of the population, typology of respondents (landlord or tenant), reasons for using the Rent Restriction Act, relevance of the Rent Restriction Act in contemporary Jamaica, assessment of the operations of the Rent Restriction Act, likely modifications of the Rent Restriction Act, and recommendations that can influence the Rent Restriction Act better serving people (landlords and tenants).

The questionnaires comprised of nine (9) open-ended and close-ended questions, which were administered in

June 2011. The averaged completion time was 10-20 min. The open-ended questions are those in which the respondents are asked to provide their own answer to the questions and the space is provided to write in the answer. These will provide valuable narrative for the work, and pertinent insights to meanings, actions and behaviour. On the other hand, the closed ended questions are those where the respondents are asked to select an answer from among a list of provided by the researchers. These types of questions are more frequently used as they provide greater consistency of responses and are more easily processed. These questions were typed and administered to respondents for completion. A trial testing of the questionnaires was done with some volunteers to identify likely ambiguity, grammatical errors, sentence structuring and ease of reading for respondents. From the trial testing, necessary corrections were made, and then the questionnaires were submitted on blackboard for the tutor's feedback after which the questionnaires were administered (Babbie, 2007).

**Interview:** According to Babbie (2007), an interview is another alternative method used in qualitative research studies to collect survey data. Instead of soliciting respondents to read questionnaires and enter their own answers, the researcher will ask the questions and write down the responses. This is normally done face-to-face but can also be done via the telephone. There are two different types of interviews, the structured and the semi-structured, in structured interview only standard questions are asked by the researcher. While a semi-structured interview, uses standard questions in addition to any other questions which may need to get clarification or probe an individual's reasoning. The advantages associated with a face-to-face interview are the researcher is able to develop a rapport with the interviewee and maybe able to get more cooperation and the response rate is extremely high.

Babbie (2007) further stated that a face-to-face interview will usually prompt a response rather than "don't know" or "no responses" and respondents will be less likely to turn down an interviewer who is on the spot. Additionally, Leedy and Jeanne (2001) stated that the researcher is better able to seek clarification, clear up any ambiguity that may exist and seek follow-up information. The disadvantages are that it is very time consuming to conduct, may not be practical for a very large sample size and may be very costly if the interviewees are in different parts of the world.

Leedy and Jeanne (2001) indicated that the advantages associated with telephone interviews are that it is less time-consuming, less expensive (except for the cost of long distance calls) and interviewees are readily available as long as a telephone is available. Also depending on the areas where interviews are conducted the interviewer might be safer. The disadvantages associated with the telephone interviews are the response rate is not as high as the face-to-face interview as persons

may be busy, annoyed or not very interested in participating. The level of response and rapport is not the same as with the face-to-face interview and the sample may be a bit biased as only persons with or who have access to a phone will be included in the sample.

A questionnaire was designed for key people in the Rent Restriction Act, including National Land Agency and the Rent Assessment Board. The same questions were given to all the elite interviewees.

**Sample:** The sample for this research was 22 respondents, with a non-response rate of 10%. The sample comprised of landlords, tenants, and key individuals (including land agency, valuers, and Rent Board executive). These people were located across the parishes of Kingston and St. Andrew in Jamaica and were from varying economic backgrounds. Purposive sampling was used to collect data from key stakeholders over a two-month period.

**Sampling method:** Without a population of landlords and tenants (no national register), it was difficult to use any probability sampling technique to draw a sample. Hence, purposive sample technique was used by the researcher. A purposive (or judgmental) sampling technique was adopted in the study since according to Babbie (2007) sampling methods are referred to as either probability or non-probability where a non-probability method is based on personal judgment about some appropriate characteristics of the sample members. The researchers used a snowballing method to determine the sample size. The researchers went to the Rent Assessment Board on a number of occasions and wait for one or half of a day. People who came to the Rent Assessment Board were approached, informed of the researchers' aim, asked if they were interested in participating in the process, and all willing respondents were informed of their rights to privacy and withdrawal at any time if they so desire. From not having population of landlords and tenants, the snowball sampling method, which is a non probability method, was the best fitted sampling approach.

**Statistical analysis:** Sekaran (2006) indicates that data Analysis may be defined as an examination or investigation of the data which was collected. This is conducted with the aim of obtaining some knowledge and understanding of the material. The open ended questions from the items from the questionnaire were stored and retrieved in the Statistical Package for the Social Sciences for Widows, Version 17.0 (SPSS Inc; Chicago, IL, USA). The closed ended questions were analysed using a narrative and thematic approach (Silverman, 2005). This was equally done for the interview with the responses from the intended interview with National Land Agency, Valuers and Rent Assessment Board as well as the landlord/tenant questionnaire (Silverman, 2005).

Table 2: Profile of sample

Characteristic	n (%)
Knowledge of rent restriction act	
Yes	6 (50.0)
No	6 (50.0)
Involvement with rent restriction act	
Yes	6 (60.0)
No	4 (40.0)
Typology of respondent	
Landlord	4 (33.3)
Tenant	8 (66.7)
Utilization and applicability of act	
Yes	4 (57.1)
No	3 (42.9)
Problem which sought remedied through act	
Non-payment of rent	3 (33.3)
Harassment	4 (44.4)
Damages to property	2 (22.2)
Relevant of rent restriction act in contemporary Jamaica	
Yes	6 (54.5)
No	5 (45.5)
Rating of the rent restriction act in contemporary Jamaica	
Excellent	3 (25.0)
Good	5 (41.7)
Fair	3 (25.0)
Poor	1 (8.3)

Frequency, percentage and cross tabulations were used to analyze closed ended questions, and descriptions as well as thematic narratives were used to evaluate the open ended questions as well as the interviews.

**Operational definitions:**

**Rent restriction act:** An Act that regulates rented property, which includes the actions of landlords and tenants under the law.

**Tenant:** According to the Pocket Oxford English Dictionary, a tenant is “A person who rents land or property from a landlord” (Soanes *et al.*, 2005). This definition will as is in this study.

**Landlord:** According to the Pocket Oxford English Dictionary, a landlord is “A man (in legal use also a woman) who rents out property or land” (Soanes *et al.*, 2005). This definition will be used for this work.

**Gender:** A social construct and learned characteristics that identifies the socio-cultural prescribed roles that men and women are expected to follow.

**Findings:** Table 2 presents information on knowledge, involvement, typology of respondents, utilization of applicability of Act, relevance of Rent Restriction Act in contemporary Jamaica, and rating of Rent Restriction Act. The response to each issue shows that non-response was very low. The majority of the respondents indicated a good rating for the Rent Restriction Act, 55% mentioned that the Rent Restriction Act was relevant, 44% declared

Table 3: Issues by typology of respondents

Characteristic	Typology of respondent	
	Landlord n (%) n = 4	Tenant n (%) n = 8
Knowledge of rent restriction act		
Yes	3 (75.0)	3 (37.5)
No	1 (25.0)	5 (62.5)
Involvement with rent restriction act		
Yes	2 (50.0)	4 (66.7)
No	2 (50.0)	2 (33.3)
Utilization and applicability of act		
Yes	0 (0.0)	4 (66.7)
No	1(100.0)	2 (33.3)
Problem which sought remedied through act		
Non-payment of rent	2 (66.7)	1 (16.7)
Harassment	1 (33.3)	3 (50.0)
Damages to property	0 (0.0)	2 (33.3)
Relevant of rent restriction act in contemporary Jamaica		
Yes	2 (50.0)	4 (57.1)
No	2 (50.0)	2 (42.9)
Rating of the rent restriction act in contemporary Jamaica		
Excellent	1 (25.0)	2 (25.0)
Good	1 (25.0)	4 (50.0)
Fair	2 (50.0)	1 (12.5)
Poor	0 (0.0)	1 (12.5)
Right		
Yes	3 (75.0)	4 (66.7)
No	1 (25.0)	2 (33.3)

that issue to be resolved was harassment, 57% utilized the Act, 67% were tenants, and an equal percent were knowledgeable and ignorant of the Rent Restriction Act.

The majority of the participants of this study were from lower class backgrounds (80%), with 20% from lower middle class status.

Table 3 displays information on particular issues among landlords and tenants. The findings revealed that more landlords (75%) were knowledgeable of the Rent Restriction Act compared to tenants (38%). More landlords rate the Rent Restriction as fair (50%) compared to tenants (13%). More tenants indicated that the Rent Restriction Act is relevant (57%) compared to landlords (50%). More landlords indicated that they had rights (75%) compared with tenants (67%). There is a non-response rate (75%) among landlords for particular question ‘Have you ever had a case where the Act was referred to? (Utilization and applicability of Rent Restriction Act). The majority of the landlords were seeking to address non-payment of rent (67%), and the rent sought harassment (50%).

Table 4 presents information on particular variables by gender of respondents. Substantially more males had knowledge of the Rent Restriction Act (75%) compared to females (37.5%). More females rated the Act as poor (12.5%) compared to males (0%). Over 2.5 times more males indicated that the Act was relevant compared to females; and 2 times more males have reported harassment than that of females.

Table 4: Particular variables by gender

Characteristic	n (%)	
	Male	Female
Knowledge of rent restriction act		
Yes	3 (75.0)	3 (37.5)
No	1 (25.0)	5 (62.5)
Involvement with rent restriction act		
Yes	3 (75.0)	3 (50.0)
No	1 (25.0)	3 (50.0)
Rights		
Yes	4 (100.0)	3 (50.0)
No	0 (0.0)	3 (50.0)
Utilization and applicability of act		
Yes	2 (100.0)	2 (40.0)
No	0 (0.0)	3 (60.0)
Problem which sought remedied through act		
Non-payment of rent	1 (33.3)	2 (33.3)
Harassment	2 (66.7)	2 (33.3)
Damages to property	0 (0.0)	2 (33.4)
Relevant of rent restriction act in contemporary Jamaica		
Yes	4 (100.0)	2 (28.6)
No	0 (0.0)	5 (71.4)
Rating of the rent restriction act in contemporary Jamaica		
Excellent	1 (25.0)	2 (25.0)
Good	2 (50.0)	3 (37.5)
Fair	1 (25.0)	2 (25.0)
Poor	0 (0.0)	1 (12.5)

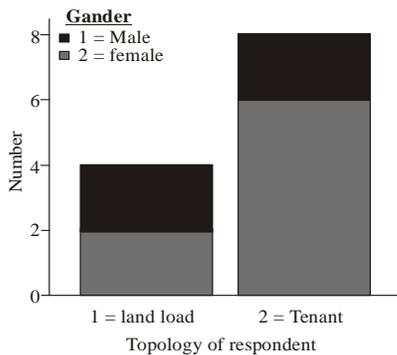


Fig. 1: Typology of respondent by gender

Figure 1 displays the typology of the respondents by gender. Based on Fig. 1, the majority of tenants were females (67%); while among landlords, the percent was the same (50%).

**Modifications to rent restriction act:** One respondent commented that “There should be stringent regulations in areas that facilitate lower rental rates.” Another participant remarked that “[The] power to arrest landlord or tenants who break the Rent Restriction Act.” Respondent ‘T’ (pseudo name) said that “It need[s] to be more effective in resolving issues with unfair landlords who harassed their tenants, because of personal feelings towards tenants.” Participant “Maxie” (pseudo name) declared that “Seminars should be held semi-annually to inform tenants of their rights and landlords as well. And

more stringent rules and regulations needs to be in place and the introduction of substantial fines must be instituted.” Respondent “Matthew” (pseudo name) “It should be included in the Act to have payment of security deposit to take care of any damage [to property], if any and return the deposits if no damages. Deposits should not be used by landlords and an account should be opened, so to funds can be returned to tenant when necessary.” Mar 10 (pseudo name) stated that “More favourable tenant but should be amended to give equal justice.” Larsen 11 (pseudo name) offered the comment that “The Act should include squatting, to alleviate absentee landlords/landlady having the headache to evicting squatting from the premises. Especially in relation to landlord or landlady who are senior citizens. ...” Lipsey 12 (pseudo) argued that “I think the [M]inistry of Finance should work more closely with the rent board. The Act itself should make it mandatory for the landlords to pay the percentages of rent to be paid over to the [F]inance [M]inistry. A lot of landlords are not doing this.”

**Recommendation to current system:** “It would be beneficial if the Board assisted single parent by means of (loans) grants to offset outstanding rents. To encourage stability in family life” argued respondents one. Another respondent chided the Rent Board saying that “The Board [Rent] needs to [be] faster in relation to dealing with small matters.” Respondent ‘T’ (pseudo name) mentioned that “[The Rent Board should give] 2-3 weeks for any suite presented before the Board at anytime.” Participant “Maxie” (pseudo name) stated that .... Respondent “Matthew” (pseudo name) declared that “For there to be a system where premises are inspected by officers from the Rent Assessment Board and rent is controlled by law based on certain criteria.” “The system need[s] to implement a more harsh punishment for landlord who think because there are the owner of the premises, they can treat their tenants like garbage” said Mello 6. One participant mentioned that the Board needs “More staff. This operation could manage on its own if more money is required to register. The present fee is just too small. Or they could be still under the government and bringing in more money.” Mar 10 (pseudo name) offered the suggestion that “Whenever plaintiff and defendant seeks information there in no way the [B]oard distinguishing the case as one of the same. Hence both individuals would be given conflicting resolutions, and on the too both person could have dealt with the same officer which could prove as conflict of interest.” “The Act should be more modernize[d] to facilitate what is happening in the rental market, today” said Larsen 11 (pseudo name). Lipsey 12 (pseudo) argued that “The process is too lengthy. The Law is “fair” and is there for everyone, but the whole process is very inefficient and somewhat incompetent when dealing with matters.”

Other respondents (valuators) purported some recommendations including 1) To hastily address the valuation date as stipulated in the Act; the law is more a political tool, than it is a toll to provide fair rent, as practiced in other jurisdiction; the provisions are not in keeping with market conditions therefore it should be amended to ensure relevance; The Act, if it is to be applied, need not cover the entire real estate market as there are sectors where it becomes irrelevant. It should be limited in its scope so that where it is applicable, a simple process of rent determination can be applied; The Act should be repealed; fair rent register; and, Rent control should only apply where emergency situations arise and in the absence of calamities this out of date legislation should be avoided like the plague; government could provide subsidized housing instead of resorting to legislation to achieve the same result.

**License:** The average time that Valuators have been licensed was 23.9 years (range=13 years; 20-33 years).

**Valuation services by rent restriction act:** When Valuators were asked “How frequent are you services required for the valuation of residential properties under the Rent Restriction Acts”, the words used were infrequent, very infrequent, hardly, and none.

**Circumstances for conducting valuations under rent restriction act:** Valuators gave the following responses:

- Rent within the approved laws of the Rent Restriction terms
- Where properties fall within the law and rents need to be revised
- To determine rental values for controlled properties;
- Rent reviews
- To verify rental arrangement/landlord and tenant disputes
- Disagreement concerning rental amounts

**Rent restriction act and registration of title:** In regard to the abovementioned issue, the participants said:

- The Rent Restriction Act speaks to a specific date and valuations are as at that date, where as the Registration of Titles Act speaks to valuation at the current market rate and takes effect as at the date of inspection
- Rents are substantially low under the Act as the base date of 1980 has to be used. Under the Registration of Titles Act, you use market value. But the question is not well worded because the Registration of Titles Act does not provide for valuation of properties

- Rent Restriction is subject to formula, and registration of titles open market value at the material date
- Market values are lower where rent restriction is in force as rental income is controlled by law and not by the market

**Usefulness of rent restriction:** Respondents’ perspectives were:

- The provisions concerning the relevant date for the Act, August 31, 1980, needs to be address[ed]
- Not relevant. No one uses it and not one enforces it
- Not very useful
- No
- Not
- Difficulty to say
- Useful for the tenant-provides security of tenure but it leads to poor maintenance of buildings and it hastens the onset of plight in urban areas

When participants were asked to provide a justification for the aforementioned response, they gave the following perspectives Not monitored and enforced, it has no teeth and becomes irrelevant; most tenancies are negotiated and administered outside the provisions of the Act; It appears to be very rarely used, hence the public seems able to conduct negotiations/transaction as reference there to; and the 1980 base date is irrational.

**Register of landlord and tenants:** Ms Kalisha Minto (pseudo name) indicated that there is national registered of landlords and tenants. However, the list of registered landlords and tenants to the Rent Assessment Board was 1,158 (including 889 from the parishes of Kingston and St. Andrew and 269 from the other parishes). When she was asked “Can these figures be broken down further to indicate total landlord and total tenants?” “No as the computer system is under construction” she argued. The cost of registration to the Rent Assessment Board was Jamaican \$20.00. And that the Board had only registered 362 landlords (the figure is as ended April 2010 to February 2011).

**Computerization of systems:** In response to the question “When did the Rent Board go computerized”, “In the years 2008” said Ms. Minto. Having heard of the computerization of the system since 2008, the researchers requested a listing of landlords and tenants. The researchers was informed that “No, names could not be release[d], because cases are pending before the Board and I was not sure which one is hence it could not be made available also for the landlord and tenants security”

argued Ms. Minto. In addition Ms. Minto opined that “Also I would have to receive consent from the landlord and tenant as the information is confidential.”

**Rent assessment board:** When Ms. Minto was questioned about the tenure of the Board members, she remarked that “Every three years a new board is elected” and that the current Board is chaired by Mrs. Margaret Thomas-Right (pseudo name).

**Disputes:** The Rent Assessment Board addressed a myriad of issues some of which are not among its mandate including

- Harassment
- Non-payment of rent
- Security deposits
- Illegal increase of rent

Ms. Minto noted however that harassment is normally referred to the police. And that between April 2011 and February 2011, there were a total of 1,598 reported cases of harassments. The total number of reported cases of non-payment of rent that were brought to the Board was 1,355. Ms. Minto indicated that in many of the reported cases in regard to ‘security deposits’, the landlords had refused to return the money. On the matter of ‘illegal increase of rent’ the interviewees noted that landlords were persistently increasing the rent in excess of the legal stipulated amount of 7.5%.

**Information and information dissemination:** When Ms. Minto was asked ‘Is there a magazine [pamphlet or flyer] available to the public’ she opined “No. However an annual report is done and is sent to the Minister of Housing and this report is not published.” The researchers on hearing the response followed with the question, “Why this annual report is not published”, “I don’t know why” Ms. Minto said.

**Limitation of study:** This study utilizes non-probability sampling technique which means that the results are

- Non-generalizable
- Non-predictable
- Specialised to the respondents
- Non-repeatable

However, these methods still provide insightful, rich and critical information about the studied phenomenon. Like Thomas Kuhn and Max Weber said, qualitative research is equally informative and scientific as quantitative research. And this should dispel any doubt about the value of this study, even though it is qualitative and lacks empiricism as well as experimentation in the research design.

## DISCUSSION AND CONCLUSION

The current findings revealed that majority of tenants were from lower income communities; complained of landlord harassment; utilize the Rent Restriction Act, rated the Rent Restriction Act in contemporary Jamaica as good. Landlord indicated that they had more rights than the tenants; their complaints were mostly the non-payment of rent; they were more knowledgeable of the Rent Restriction Act than the tenants and the majority of them did not answer the question on “Have you ever had a case where the Act was referred to?” Two times more males were knowledgeable about the Rent Restriction Act than that of females; more males indicated that they had rights than that of females, less females’ problem was harassment than that of males; more males gave the Rent Restriction Act a good rating compared to females and 3.5 times more males believed that the Rent Restriction Act was relevant in contemporary Jamaica. There is a general consensus among key stakeholders that the Rent Restriction Act is outdated, irrelevant and rarely applied in contemporary Jamaica. A key stakeholder concurred with the landlord and tenants that non-payment of rent and harassments were the problems mostly brought to the Rent Assessment Board by landlords and tenants respectively, and that they had to refer most of the harassment cases to the police. Another matter which emerged from the study is the rental costs increases that are in excess of the legal annual maximum of 7.5%. As a result of the outdated Rent Restriction Act, key stakeholders, landlord and tenants forwarded a number of recommendations that cannot be used to effectively enhance the efficiency of an amended Act, and the operations of the Board. In addition to the aforementioned issues, computers were installed at the Board some three years ago; yet, there was no national registry of landlords and tenants.

Empirical evidence existed which established the association between rent control impositions and post World Wars periods (Block and Olsen, 1981; Ballesteros, 2002), and that these are used to provide relief for people to cushion the economic or political shocks that unfold after those events. Outside of World Wars, in the twenty-first century, the United States have reintroduced rent control (Ballesteros, 2002; Block and Olsen, 1981) as a means of price and rent control in order to making housing affordable. Outside of industrialized nations (America, France, Spain, Canada), developing countries had to use rent regulations (or control) to address urbanization, lowered real incomes and the inelasticity in housing stock (Malpezzi and Ball, 1991; Ballesteros, 2002). While urbanization and lowered real incomes coupled with an inelasticity housing stock equally affects Jamaica, other issues have been used to rationale rent controls.

In the 1970s, when the Michael Manley's (former Prime Minister) PNP administration used democratic socialism, the issues at the time were more pronounced than mere urbanization and lowered real income. For centuries, the planters' class was owner of land and most of the wealth (Beckford, 1972). There was income inequality and inequity, and the administration of justice favoured the powerful class. These accounted for civil unrest, deviant behaviour by the peasant class and create a divide of distrust between the two groups, planters and peasants. Noting that there social inequalities in the society, the planters class had a land reform in 1866 to 1900 (Besson, 1995); but Satchell (Besson, 1995) opined that this favoured the plantation system as against the peasantry. In Jamaica, even post-independence in 1962, there was stratification that mirrored the plantation system. There was a new class, the middle class. The system was controlled by the powered class (wealthy) and divides between the affluent and the lower class was undeniably obvious in the society (Gordon, 1987).

Social mobility was possible; which emerged from the opening up of new position following independence (Gordon, 1987). Gordon (1987) noted that social mobility widened the social inequalities between the 'minority' class (wealthy) and the 'majority' of population (lower class). Stone (1980) argued that the difference between the lower middle class (independent property owners) and 'middle level capitalists (shopkeepers, small businessmen and middle farmers) and the "labour aristocracy" (high waged earners, white collared employees). Class stratification was obvious in the society even post-independence (1962), and masses were on the periphery (owing marginalized land, low wages, unskilled, uneducated and economically vulnerable).

The identified class stratification in Jamaica leading up the 1970s was not only somewhat mirrored the plantation aristocracy, but had continued the marginalization of the laboured class. There were socioeconomic differential between the lowered class and the hierarchical class, and these operated on the capitalist mode of production (Gordon, 1987). In his study, Dereck Gordon opined that "The paradox of increased mobility opportunities coexisting with sharp inequalities of opportunity has been shown to be a consequence of the changing class structure, which made possible large volume of upward social mobility without requiring any radical change in the real mobility chances of the working poor" (Gordon, 1987), suggesting that under the capitalist mode of production socioeconomic betterment was evident but that the masses were again disadvantaged by the system. The reality of masses was

- Poor housing and natural environment
- Low wages
- Unemployed

- Lowly educated compared to the bourgeoisie class that controls the means of production

Gordon noted that a greater probability of high income was associated with education, training and occupation (p. 48) indicating the difficulty of the poor to escape persistent poverty with political intervention.

Then in 1972 (February), when Michael Manley's (former Prime Minister) PNP administration to power, they sought to address many of the social inequalities in the society (Bernal, 1986). Manley used democratic socialism to address many of the socioeconomic disparities such as wage, unemployment, housing, education, land lease and food (nutrition). The PNP administration of the 1970s (1972-80) instituted subsidies on basic foods, rent control, national minimum wage, establishment of the National Housing Trust, maternity leave with pay, skills training, national literacy campaign and the redistribution of the means of production (land lease). With the inelasticity in housing stock, the economically vulnerable was left to the dictates of landlords (property owners). The National Housing Trust's responsibility was to build houses, particularly for the poor, which meant that the costs were subsidized by the state. A similar approach was used by France (Haffner *et al.*, 2007) that provides subsidizes to landlords who constructed houses that will be rented to the poor.

Many industrialized societies have used rent control to aid in the alleviation of burden on the economically vulnerable and tenants from being abused by landlords in periods of housing scarcity (Haffner *et al.*, 2007; Block and Olsen, 1981; Ellingsen and Englund, 2003). Rent regulation was not instituted under the PNP administration of the 1970s, but under the plantation system in 1944 (Besson, 1995). The plantation class recognized the likely social challenge of the day instituted the Rent Restriction Act to address many of the grievances that were promulgated about property tenancy. All societies recognized the plight of the economically vulnerable and likely occurring of landlord abuse of power in instances of natural disasters and wars which result in housing scarcity, increased rental prices and the powerlessness of tenants (Block and Oslan, 1981; Ellingsen and Englund, 2003; Haffner *et al.*, 2007; Ballesteros, 2002). Rent control in the form of freeze (first-generation control) has been used in many nations, after a world war to effectively address the general prices increases in rent that result. The second-generation control which deals with the controls that allow for the gradual increase in rent in relation to building costs and general prices.

During democratic socialism of the 1970s in Jamaica, there was no war (world), natural disasters and mass urbanization, but there was a global oil crisis. The oil

crises result in inflation, high cost of living, and this demand a response by the government. The responses by the Jamaican government were

- Building lower cost housing
- Rent regulations and other social programmes (Bernal, 1986)

Rent regulations of the 1970s were not typical to Jamaica as this was equally done in United States (Ellingsen and Englund, 2003; Block and Olsen, 1981). The Americans who had abolished rent control prior to the oil crises of the 1970s had to reintroduce it in order to address the escalating rental housing prices. Many cities in the United States during the 1970s established rental agency (or regulators) to alleviate the burden of increased rental prices on tenants (Block and Olsen, 1981). Like other nations, Jamaica revamped the Rent Assessment Board that was mandated to hear and rectify grievances between landlords and tenants.

Between 1990 and 2008, the Jamaican economy experienced banking and financial crises (IMF, 2008) and an infiltration of Ponzi schemes that robbed depositors of billions of dollars (CaPRI, 2008). Traditionally the response to crises that result in inflation was to reintroduce rent control. Statistics revealed that during the banking crises of the 1990s, inflation was doubled digit (Appendix I), which was associated with increased poverty. There is no denial that socioeconomic realities of many people, particularly the economically vulnerable (poor), were faced with the difficulty of paying rent and buying food. In response to these crises, the then PNP administration under the leadership of former Prime Minister, Percival James Patterson, began increasing housing stocks to poor family as a measure to alleviate the power of landlord, the treatment of poor tenants and to prevent landlord from exploiting their market power. Like in Jamaica, the banking and/or financial crises in United States saw the reintroduction of rent regulations, mortgage payment freeze, and other rent control measures to address the problems of families not be able to pay rent, mortgage and retain their houses.

It comes as no surprise that in the current study the majority of those who accessed the services of the Rent Assessment Board were mainly from the lower class. The present economic realities are

- Increased food prices
- Global recession
- Lowered remittances
- Increased poverty
- Higher oil prices
- High rent (PIOJ and STATIN, 1990-2010; PIOJ, 1990-2009)

The socioeconomic realities of the poor are such that they are unable to pay rental costs. Hence, this explains why non-payment of rent was the major reason for landlord taking them to the Rent Assessment Board. The realities of the poor in the present economic climate explain preponderance of the tenants claimed they have been harassed (1 out of every 2). Evidence existed that landlords in periods of crises can exploit their market power (Ellingsen and Englund, 2003), which could account for the number of harassment cases against them. The present work found that landlords were 75% of landlords indicated that they had rights compared to 67% of tenants, and that 2 times more landlords were knowledgeable of the Rent Restriction Act compared to tenants. Knowing the economic climate, scarcity of housing stock, crises (world oil prices and food prices), and world recession, the landlords are able to increase rent to make a windfall profit.

The high usage of the Rent Assessment Board by lower class people is to rectify the economic market power of landlords. With the government not intervening in the rented housing market during the present crises, landlord can exploit the scarcity of housing, because they know that people want to live somewhere and not outside. Hence, there are actions that include the non-return of security deposits and annual increase that exceeds 7.5% is all a part of the exploitative measure used by landlords. The exploitative nature of landlord also includes illegal evictions for the non-payment of rent, and this could indicate why more females access the Board because landlord they are more vulnerable than males. The present work revealed that twice more males indicated that they had rights than females, and the females were also less knowledge of Rent Restriction Act, suggesting that this would affect the actions of the particular gender, and why more males rate the functioning of the Board as good compared to females. With poverty being greater among females than males as well as unemployment (PIOJ and STATIN, 1990-2010; PIOJ, 1990-2009), females would more require assistance in protecting them from landlord, justifying the preponderance of females to the Board than males.

In a case between Judith McKenzie and Vinnette Oxford (January 23 and 24, and December, 20, 2006), Ms. McKenzie a tenant at 5 Handel Avenue, St. Andrew, who had an rental agreement that commented on April 1991 to pay \$3,500 (Jamaican) experienced annual increases that extend beyond the legal maximum of 7.5%. In 1996, Ms. McKenzie's rent was increased to \$10,000 (which on averaged increased by 31% yearly), and then to \$15,000 monthly in the case year. Then in January 2008, the monthly rental was increased to \$20,000 as of May 1, 2008. Of which she paid until April 2000, when the rent was further increased to \$25,000. She then refused to pay

the increased and stopped paying rent. She was issued with a notice to quit the premises, which expired on September 30, 2000. The appellant refused to vacate the property, which resulted in an action to recover the property. The appellant's summary of defense was that she was not indebted to respondents for rental, as the standard rent for the property had not been determined by the Rent Assessment Board and she had been charged a sum in excess of that which is permissible under the Rent Assessment Act. On May 14, 2001, the Resident Magistrate made the judgement that

- The tenant should pay the sum of Jamaican \$240,000, with interest of 12% per annum from May 2000 to May 2001
- To vacate the premises by May 21, 2001
- That she (tenant) is required to pay the legal fees of the landlord in the sum of Jamaican \$22,517.00

Another case with a different result was published in the Jamaica Observer (2010). According to the Jamaica Observer, "A landlord who was accused of throwing human waste into his tenant's room because she rejected his sexual advances was last week slapped with a three month suspended sentence when he appeared in the Corporate Area Resident Magistrate's Court" (p. A6). Based on the article Mr. Chester Myers (landlord of Seaview Gardens-lower income area) was placed into custody for breaches of the Rent Restriction Act and malicious destruction of property. Mr. Myers had disconnected the property's electricity as a result of non-payment of rent from his tenant. He, however, denied that he threw human feces in the complainant's room. At the court hearing, the Jamaica Observer noted that the tenant explained that the Mr. Myers wanted sexual relations to which she refused. Consequently, the objection by the tenant results in victimization by the landlord who many community members aware that she was of a particular sexual orientation, lesbian.

The aforementioned cases form part of plethora of cases brought before the Courts to adjudicate on rental issues (Supreme Court, 2003; Privy Council, 2006). The cases highlight

- Exploitation of market power by landlords
- Class position between landlord and tenant
- Housing scarcity
- Gender discrimination in rental matters
- Ignorance of Rent Restriction Act by tenant

In the aforementioned case, the ignorance of the female tenant lead to her owing thousands of dollars; and how it is likely that the ignorance of Act resulted in the she making errors. This matter along with others are

likely to explain why females rating the Rent Assessment Board's actions as poor than for males.

Despite the decisions that result from a dispute between landlords and tenants, the Rent Assessment Board boasts of a high resolution rate. In an article in the Jamaica Gleaner entitled 'Rent Board maintains high rate of resolving disputes' it was reported that resolution rate of disputes was 90% (Jamaica Gleaner, 2003). Based on the findings in the current work, it may be difficult to concur with the article in the Gleaner as the report from a key stakeholder indicated that the computer not functional. If Board became computerized in 2008 and in 2011 was having difficulty disaggregating its registry, this poses questions about the validity and reliability of the offered data. This does not mean that there are inaccuracies in the data, but the question of its verification. Even though landlord and tenants were utilizing the services of the Rent Board and dispute were been address, clearly there is an efficiency issue that could explain the low rating given to the agency. One respondent chided the Rent Board. The participant said that "The Board [Rent] needs to [be] faster in relation to dealing with small matters." Another issue that justifies the low rating given to the Rent Board was "The process is too lengthy. The Law is "fair" and is there for everyone, but the whole process is very inefficient and somewhat incompetent when dealing with matters" said a participant.

The key stakeholders, landlords and tenants believed that the Act is outdated and as such is unable to effectively address some of the contemporary issues which have arisen in Jamaica. This sentiment is equally agreed with by the current Minister of Housing and Water, Dr. Horace Chang. Dr Chang highlight that legislation is not the answer to the grievances between landlords and tenants, and although this may appear to removing the role of government, it has some merits. Fukuyama (1995) opined that we cannot legislate all of human's behaviour and trust is important in many operation as despite the legislative framework Madoff and Stanford were able to defraud people of billions of dollars, because they exploited the people's trust and distrust in the system.

Fukuyama (1995) argued that trust is one of the most pivotal structures upon which all democracy stands, and relations hold. He opined that "Trust is the expectation that arises within a community of regular, honest, and cooperative behaviour, based on commonly shared norms, on the part of other members of that community" (Fukuyama, 1995). While we are able to negotiate contract and the law is able to bind persons (or institutions) to those issues therein, we are unable to legislate social relations among people. It is trust that regulates the effective functioning among people,

institutions, and nations. Based on Fukuyama's perspective, trust is a social capital that is required in all forms of human relationships. It follows, therefore, that when people do not trust each other, there will be apprehensions, reservation, disloyal, fear, and insecurity makes it difficult business and social relations to happen harmoniously without additional cost.

Distrust in Jamaica for political institution, justice system and apparatus of the nation has some historical explanation (Beckford and Witter, 1982; Gordon, 1987; Stone, 1980; Besson, 1995). The level of distrust and low confidence in the system has continued in present Jamaica. In 2007, a research found that 69 out of every 100 Jamaicans indicated that the justice system favours the wealthy and the same proportion reported that they country is governed to benefit a 'few powerful people' (Powell *et al.*, 2007). It should be expected that the level of interpersonal trust and confidence in the system is that low (14 and 12% respectively). Powell *et al.* (2007) found that 7 out of every 50 Jamaicans can be trust, and this is even lower for government (7 out of every 100). Powell, Bourne and Waller's work also showed that 6 out of every 50 Jamaicans had confidence in the private sector (including financial institutions); 5 out of every 50 had confidence in large companies; 15 out of every 50 stated that the country is 'going in the right direction'; 31 out of every 100 indicated that they current economic situation is at least good; 39 out of every 100 mentioned that their salary is able to cover expenditure; 15 out of every 50 like the workings of market economy in Jamaica, and that 69 out of every 100 believed that "...the country is governed for the benefit of a few powerful interests..." (Powell *et al.*, 2007). It stands to reason that if the people, institutions and government cannot be trusted then it is the responsibility of government to put measures in place to protect the vulnerable and powerless, to show that government can and should be trusted. Not only that but it is the job of government to protect its people from enemies local and foreign, and this sometimes means landlord and tenants. It would be remiss of any government to not protect its people even from their own ignorance and apathy. Government cannot leave its people to the whims and the discredited fantasy of basic human goodness.

The deep distrust among people, for institutions and administration of the justice, it should come as no surprise to hear of the grievances between landlords, tenants, and the administration of the justices on property disputes. The economically vulnerable who recognizes that they are on the periphery of the economic system in Jamaica, will also seek the assistance of government in periods of crises, against the economic class, power landlords because of scarcity of housing stock and their inability to change their situation with political intervention. Some of

the key stakeholders indicated that the Rent Restriction Act is ineffective, and need immediate amendment in keeping with contemporary realities. With the divide between the problems that are occurring, the datedness of the Rent Restriction Act, the world oil and food crises, inflation, the poor should be protected by the government, otherwise they are likely to be held at the mercy of the landlord who will use the market power, exploit the vulnerable and make the lives of those who rent dwelling increasingly difficult. A study by Powell *et al.* (2007) found that 30% of Jamaicans believed that the country is 'going' in the right direction, which will even deepen the distrust and likely to result in civil unrest.

In addition to likely unrest, with no government intervention in the housing market to regulate prices using either first or second generation measures in Jamaica, we should expect more rent disputes, increased landlord exploiting the vulnerable groups (including females, poor), more harassment cases, increased non-payment of rent and other social problems with rent foci. When the middle class in Jamaica were faced with the difficulty of paying utilities bills, they opted to invest in alternative investment schemes (CaPRI, 2008). The poor were unable to invest in those schemes because of the minimum deposits; therefore they are felt open to the elements and actions of all. Rent control is necessary in all societies, including industrialized nations, and this means that within the current realities in Jamaica (inflation, increased rental cost, increased poverty), government intervention is need in the housing market, using rent regulations.

Some of the grievances with which the Rent Restriction Act should mediate cannot be effectively addressed because of deficiencies in the Act. The Act speaks to a particular time, with some conditions that have long passed. Contemporary Jamaica is different from the sociopolitical climate of 1983. The Rent Restriction Act has outlived some of its relevance, which was expressed by landlords, tenants and key stakeholders. There are some applicable of the Rent Restriction Act, but modernization of the society is such that the Act is left held the demands of the society. The very teeth of the Act are weak, and are frequently exploited by knowledgeable landlords and tenants. The examples here are

- The penalties for breaches
- The new phenomenon of security deposits
- Standard on rented premises
- The narrowness of the act on rental matters

The new realities of Jamaicans in relation to rental matters is noted by even the political directorates (JIS, 2005); yet in 2006-2011, no amended had followed the discussions and acceptance of the deficiencies in the amended Rent Restriction Act of 1983 (Pickering, 2011;

Ministry of Housing, Water, Transport and Work, 2007).

The World Bank has come into the realization that government intervention should be an ingredient in economic development, which support rent regulations in times of crises. The world is experiencing a number of crises such as increased oil and food prices, economic downturn, inflation and economic hardship on individuals; yet the Jamaican government has sought to do nothing for the poor in relation to rental costs, food subsidy and housing solutions. While the neoclassical theory continues to be used in Jamaica, even among some neoclassical theorists, there is the belief that government intervention is necessary as some things cannot be left to the free market. One of the things that cannot be left to free market is the housing market, particularly price setting in periods of crises. Even though Jamaica should not look back to the periods of the 1970s to address some of the social inequalities, democracy is the enemy of the poor and a luxury for the rich. This does not imply that we should resort to socialism or democratic socialism of the 1970s; but that a part of the state's capacity must be the survivability of the economically vulnerable. The survivability of the economically vulnerable in Jamaica must address the housing scarcity, housing prices, power of landlords in crises and conditions of tenants in crises. The doubling of poverty in 2009 over 2008 (PIOJ and STATIN, 1990-2010), support the need for government intervention as people, particularly the labour-class and tenants, will be increasingly exploited in an effort to seek the highest price for rented property.

In 2007, a group of academic researchers found that the working class had the least well-being in Jamaica (Powell *et al.*, 2007). With the working class being almost two-thirds of the population, findings which revealed that 72% of Jamaicans believed that the private enterprise system is not fair for working people, and that 69% Jamaicans indicated that the economy is operated for a few powerful interest are not good signs about capitalism and governance. Embedded in Powell, Bourne and Waller's research is the class phenomenon which in contemporary Jamaica long after the work of Stone (1980) and Gordon (1987). The working class cannot be only protected in socialist regime because this is likely to civil unrest and revolts in the future. Many Jamaicans are experiencing poverty than in previous periods, and within the context of various world crises, rent control is needed in contemporary Jamaica as well as the amended of the Rent Restriction Act of 1983, to reflect the new realities and not be a rubber stamp for the economically powerful, the landowners. One economist opined "...that the lower income countries have developed greatly, that there is no longer a dichotomy of country income levels, that the middle income countries are aggressively demanding more, and that abysmal poverty still exists" (Hagen, 1980). Middle income nations like Jamaica are not only

seeing the remains of poverty, but increased poverty, economic shock from world oil crises and upward movement in food prices with little intervention from governments in relation to rent control, tenancy and lower market prices for rented property, rent floor or ceiling.

Rent regulation (control) is both a political as well as an economic measure that is well established in the literature that was used in crises (Besson, 1995; Bernal, 1986; Block and Olsen, 1981). No government should stand behind capitalism (classical or neo-classical theorizing) and fail to carry out its mandate of protecting its citizenry from harm and exploitation. When the Rent Restriction Act was established in 1944 in Jamaica, it was during the World War II. Many nations including Britain, United States and other Western European states also responded to housing shortage, increased rental costs and the exploitation of tenants by landlords. The United States, France, Sweden and other industrialization nations re-introduced rent control in the 1970s in response to non-war crisis, oil prices (Ellingsen and Englund, 2003; Block and Olsen, 1981). The reality is, since 1990s, Jamaica has experienced

- Banking and financial crises
- World oil and food crises
- Defrauding billions of dollars by way of alternative investment schemes
- Reduced remittances
- Economic recessions
- Increased poverty
- Increased public debt and inflation (PIOJ and STATIN, 1990-2010; IMF, 2008, CaPRI, 2008; Kirkpatrick and Tennant, 2002; Peart, 1995)

Nothing has been forthcoming from the government in relation to rent control in spite of the litany of crises. Even Adam Smith, a classicalist, believed that the government can intervene in the free market economy on the condition of protecting citizens' rights. In Jamaica, landlords have been charging security deposits which is not embodied in the Rent Restriction Act, and some have increased rent beyond the 7.5% annual allowable amount, harassment and non-payment of rent have been on the rise.

Tenants being unable to pay rent are an indication of the difficult economic climate, the likely exploitative role that landlords may take because of the market conditions and economic power of housing scarcity. There are clear violations of the Rent Restriction Act without a response from the government in relation to rent regulations to protect the rights of tenants from exploitative power of landlords in this economic climate. There is a need to have managed capitalism in Jamaica as governments cannot be removed from the regulating the economy in times of crises. Jamaica is experiencing many crises since

2007. Another reality is the 37.4% increase of inflation in 2009 over 2008 and a 70.7% increase over 2007, suggesting the increase in economic hardship of people, particularly the poor, and these will be exploited by landlords who are able to increase housing costs because of market conditions, housing shortage. With each day that goes by without managed intervention by government, the number of cases brought to the courts will increase as distrust between landlords and tenants widen, and the increased transactional costs from distrust expands without being able to be met by tenants. If landlords continue to increase rental prices in keeping with market conditions, without intervention by the government in a market of housing scarcity, it is likely that unrest will occur between the owners of dwelling and poor tenants.

In summary, landlords exploiting tenants, tenants being unable to pay rent, and the deficiencies in a dated Rent Restriction Act are all accommodation rent disputes, increased rent disputes in courts and human suffering, particularly among the economically vulnerable and female. The level of distrust in Jamaica among people is so high that this is stimulating inflation. The cost for rented property is greater because of additional transactional cost of distrust (security deposits), creating an aggressive inflation in property values, rental cost and burden on tenants. Within the context of

- Global recession
- Oil crises
- Inflation
- Increased poverty in Jamaica, rent controls are needed, and an old Rent Restriction Act cannot address the new challenges

The way forward must include

- The valuation date in the Rent Restriction Act needs to be addressed hastily. To accommodate new construction and what is happening in the market place
- General Consumption Tax should be charged on rent and the government should use the contribution to provide subsidized housing for persons who cannot afford housing
- The Act is not being enforced; therefore a type of jurisdiction needs to be instituted
- The Act should be repealed
- Rent Restriction should only apply where emergency situations arise
- Government could provide subsidized housing instead of resorting to legislation, to achieve the same result
- The government should institute a rent registry that requires regular updates

- Determine an accounting value for security deposits with which the landlord can charge the tenants, the money should be placed in an escrow account and any amount in excess of this limited is a breach of the law
- Uses for security deposits on termination of tenancy

The amendments to the Act should include:

- A requirement for all who rent or lease house or property to present legal documents showing that they are registered land lords upon renting of properties
- A requirement for all persons or entities who rent or lease to be licensed to do so
- Documentation of their compliance with the regulatory agency, each year that rent is increased
- A fine imposed against any person or entity who rent premisses without permit or registration
- Income generated from rental of properties should be recorded as part of the Gross Domestic Product. (as millions of dollars are passed to these land lords each year that are untaxed and undocumented)

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