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INDIANA UNIVERSITY
Lilly Family School of Philanthropy

The 2022 Global Philanthropy Environment Index Jamaica

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QUICK FACTS

Legal forms of philanthropic organizations included in the law: Association, Benefit Corporation, Endowment, Foundation, Society, Trust

Five main social issues addressed by these organizations: Arts and Culture, Basic Needs, Human Rights, Religion, Youth and Family

Average time established by law to register a philanthropic organization: 30-60 days

Average cost for registering a philanthropic organization: USD 300

Government levels primarily regulating the incorporation of philanthropic organizations: Central/Federal Government

Philanthropic Environment Scores:

Year	Ease of Operating a PO	Tax Incentives	Cross-Border Philanthropic Flows	Political Environment	Economic Environment	Socio-Cultural Environment	Overall Score
2022 GPEI	4.67	4.00	3.50	4.00	2.00	3.00	3.53

Source: Indiana University Lilly Family School of Philanthropy, 2022 *Global Philanthropy Environment Index*

Key Findings

I. Formation/Registration, Operations, Dissolution of a Philanthropic Organization (PO)

The three indicator questions in this section pertain to the laws and regulations governing philanthropic organizations (POs). The scoring questions for this category cover three aspects of regulations: (A) formation and registration; (B) operations; and (C) dissolution.

Question One: To what extent can individuals form and incorporate the organizations defined?

Score: 4.0

Jamaica has a rich tradition of giving, especially through religious and benefit societies, but the government only formalized the charity sector in 2013 with the passage of the 2013 Charities Act. The philanthropic sector remains largely informal with significant numbers of unregistered civil society and community-based organizations. The 2013 Charities Act created a structured framework for the registration, oversight, and tax benefits for charities. While organizations must be registered to receive tax benefits, not all non-governmental organizations (NGOs) working in the country are registered—especially in the rural areas. One of the challenges to registration is the cost.

Question Two: To what extent are POs free to operate without excessive government interference?

Score: 5.0

Philanthropic organizations (POs) are free to operate and collaborate without excessive government intervention. Freedom of the press is cherished within Jamaican society, and philanthropic organizations are actively engaged in traditional media (television, radio, and newspaper) and social media with no government restrictions. The Department of Co-operatives and Friendly Societies (DCFS) under the Ministry of Justice does have an oversight role for philanthropic organizations.

Question Three: To what extent is there government discretion in shutting down POs?

Score: 5.0

The 2013 Charitable Act provides clear guidelines for the dissolution of POs, and the government plays no political role in such decisions. The Act includes an appeals process that organizations can use if warranted.

II. Domestic Tax and Fiscal Issues

The two questions in this section pertain to laws and regulations governing the fiscal constraints of giving and receiving donations domestically.

Question Four: To what extent is the tax system favorable to making charitable donations?

Score: 4.0

The 2013 Charities Act provides incentives for charitable donations but it is limited to a deduction of up to 5 percent of income in the case of monetary donations, and 5 percent or the write-down value in the case of property donations.

Question Five: To what extent is the tax system favorable to POs in receiving charitable donations?

Score: 4.0

The tax system is favorable to receiving donations, as there is no tax on financial contributions received by POs. In addition, registered charities are eligible for relief from the general consumption tax (GCT), and also eligible for relief from import duty tax, excluding motor vehicles.

III. Cross-Border Philanthropic Flows

The two questions in this section concern laws and regulations governing the fiscal constraints of giving and receiving cross-border donations. The scoring for these questions pertains to the donor and receiving entities.

Question Six: To what extent is the legal regulatory environment favorable to sending cross-border donations?

Score: 3.0

Giving from Jamaica directed outside the country is limited, and such gifts are not eligible for local tax incentives. Funds of USD 10,000 or more leaving the country require anti-money laundering disclosures.

Question Seven: To what extent is the legal regulatory environment favorable to receiving cross-border donations?

Score: 4.0

Receiving donations from outside the country is fairly common in Jamaica, with members of the diaspora and multi-national donors providing a range of support to local POs. In addition to local businesses, international donors, including members of the diaspora in Canada, the United Kingdom, and the United States, account for the majority of philanthropic giving on the island.

With a significant remittance flow, the government has enacted anti-money laundering laws to provide more transparency for incoming funds, including philanthropic donations.

IV. Political Environment

The four indicator questions in the next three sections concern the political context, economic conditions, and socio-cultural characteristics that influence the environment for philanthropy.

Question Eight: To what extent is the political environment favorable for philanthropy?

Score: 4.0

The relationship between the government and the philanthropic sector is favorable. With the enactment of the 2013 Charities Act, the government has fostered a more professional approach with the philanthropic sector. They have worked directly with NGOs, including partnering with umbrella groups such as United Way of Jamaica, to offer funding and technical support for charitable projects.

Question Nine: To what extent are public policies and practices favorable for philanthropy?

Score: 4.0

In 2006, the government of the time initiated and launched Vision 2030 Jamaica, a cross-sector national development plan and vision for the country. This framework has fostered improved support for the philanthropic community and served as a valuable roadmap for POs and the social development sector in developing priorities and assessing impact. For more information please visit: <http://www.vision2030.gov.jm/>

Since the passage of the 2013 Charities Act, the government has taken a more active role in engaging the philanthropic sector, including initiatives such as the Caribbean Climate Justice Project.

V. Economic Environment

Question Ten: To what extent is the economic context favorable for philanthropy?

Score: 2.0

Jamaica has been devastated by the impact of COVID-19, with a direct hit to its tourism industry leading to increased unemployment and rising poverty rates. The economic shock has been felt by POs, as they face reductions in corporate donations, which have been a significant source of local support. While the government and the diaspora have stepped up support, there is concern that a significant number of POs may not survive.

Unfortunately, COVID-19 hit Jamaica when the country had finally seen a degree of economic stabilization due to robust austerity measures, after decades of high public debt and low economic growth. For more information please visit: <https://www.worldbank.org/en/country/jamaica/overview>.

VI. Socio-Cultural Environment

Question Eleven: To what extent are socio-cultural values and practices favorable for philanthropy

Score: 3.0

Jamaica has a long tradition of informal philanthropy, including volunteering and community-based collective efforts. The rise of organized philanthropy has become more visible over the past decade. A number of national foundations are affiliated with corporations that tend to provide charitable giving as part of their promotion and marketing efforts. Yet, corporate foundations play a significant role in philanthropic giving and have led efforts to grow the philanthropic field. One example is the creation of the Caribbean Philanthropic Alliance, launched in 2019. Another is the Jamaican Social Stock Exchange (JSSE), an innovative corporate social responsibility platform of the Jamaica Stock Exchange to encourage social investment.

The philanthropic landscape across the country is varied. The majority of POs operate in the capital city of Kingston, which leaves rural areas at a disadvantage with less social infrastructure. Despite the challenges, the country is making an effort to grow organized philanthropy as a key aspect to enhance national development. These efforts are most visible in climate change initiatives, global reparations, and engagement with the 2030 Sustainable Development Goals (SDGs).

VII. Future of Philanthropy

These questions are used to provide a general picture of the future of philanthropy in this country as well as recommendations to improve the philanthropic environment.

Current state of the philanthropic sector

Philanthropy is transitioning from an informal, loosely aligned effort to a more organized and strategic phenomenon. The Private Sector Organization of Jamaica (PSOJ) has played a key role in fostering collaboration between the corporate and NGO sectors, which is significant given the influence of corporate donors.

The Council of Voluntary Social Services (CVSS) is the longest-serving and largest umbrella NGO, and works as a coordinating body for NGOs involved in social development. Together with the United Way of Jamaica (which is affiliated with the United Way Worldwide), they help to provide support, professional development, and technical assistance to NGOs across the country.

In addition to local donors, Jamaica also enjoys robust support from an engaged diaspora community that provides funding, gifts in-kind, and even volunteerism. A lack of philanthropic data prevents greater analysis and identification of trends.

Three major recent events affecting the philanthropic landscape between January 2018 and December 2020

1. Creation of the Caribbean Philanthropic Alliance in 2018. This is a network of grant-making foundations representing a number of Caribbean countries;
2. The Private Sector Organization of Jamaica (PSOJ) COVID-19 Jamaica Response Fund was launched in 2020, in partnership with the Council of Voluntary Social Service (CVSS), American Friends of Jamaica (AFJ), and United Way of Jamaica, among other actors; and
3. Ongoing engagement of the government, corporate, and NGO sector in Jamaica with Vision 2030, a national development plan which is aligned with the United Nations' 2030 Sustainable Development Goals (SDGs).

Future development trends in the philanthropic landscape

The government increasingly recognizes the philanthropic sector as a key part of the achievement of the 2030 SDGs, but what this means in practical terms remains uncertain. Digital innovation and mobile giving will increasingly play a role in the philanthropy landscape, as a way to engage diaspora and young people through social media platforms and networks to enable individual action and donations.

Three key recommendations to improve the environment for philanthropy

- The national data collection system needs to be strengthened to better track giving, POs, and other information relevant to sector planning and decision making;
- Grow mobile money and online giving products to encourage fundraising from the diaspora and local individual donors; and
- More collaboration between Caribbean countries would strengthen philanthropy across the region. The newly created Caribbean Philanthropy Alliance can serve as a model and resource to advance knowledge and leverage regional best practices.

VIII. Philanthropic Response to COVID-19

These questions are used to provide a general picture of the philanthropic response to the COVID-19 pandemic in this country and recommendations for improving cross-sectoral collaboration.

Areas where the nonprofit sector and philanthropy are playing a role in responding to COVID-19

There has been a strong collaborative effort among the philanthropic sector in response to COVID-19. The Council of Voluntary Social Services (CVSS), the oldest umbrella organization working in Jamaica, partnered with the private sector to launch the Private Sector of Jamaica Covid-19 Fund. The fund has raised over USD 1 million, engaged over 1000 volunteers, partnered with over 50 NGOs, and benefited almost 100,000 Jamaicans.

The three primary areas of support have been:

- Education: The country moved to online learning for schools and there was a major need to secure laptops and provide other technical support to students;

- Food security: There has been a marked increase in food insecurity as a result of rising unemployment and economic distress. Many foundations and donors, such as the LASCO Chin Foundation, provided monthly food baskets to families in need.
- Health: Like most parts of the world, Jamaica needed medical supplies such as ventilators, masks, and other personal protective equipment (PPE). The effort to provide these supplies was led by the United Way of Jamaica in partnership with local private sector companies and the diaspora.

Innovation and new trends in the nonprofit sector and philanthropy related to COVID-19 responses

The greatest innovation was wider adoption and effective use of online giving platforms by POs in Jamaica. This allowed credit and debit card donations in-country, and from across the globe.

Impact of COVID-19 on the philanthropic environment

The Caribbean, including Jamaica, has been devastated by the impact of COVID-19 on the tourism sector. Unemployment has risen sharply and small businesses, farmers, and local entrepreneurs are struggling to stay afloat. Corporations that have been the biggest donors to POs have reduced aid and in many cases cut off their support. The long-term impact will be felt for many years and it is expected that many POs may not survive.

Anticipated impact of COVID-19 on the philanthropic environment in 2021

It is anticipated that the collaborative spirit demonstrated during COVID-19 among POs and other stakeholders will enhance future endeavors. However, the philanthropic sector will be slow to recover, even as the global economy recovers. There is recognition that there needs to be more local donor support as the international development community has been decreasingly engaged in the region. The diaspora will continue to play a large role in the recovery and long-term survival of POs in the country, and there is opportunity to engage them more effectively.

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