

Volume 28, Issue 8**Research Announcement****Jamaica and The Global Fiscal Model (GFM)**

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Abstract

Jamaican Political leaders have so frequently cried wolf over budgetary spending that voters are skeptical about talk of budgetary crises. This is unfortunate, since deficits should arouse genuine concern, particularly as their size in developing countries like Jamaica can be daunting. Yet, the absolute size of deficits is not their most alarming aspect. In fact, most countries now run much smaller deficits (as a ratio of GDP) than they did during wartime. Rather, the persistence of budgetary shortfalls during a long period of peace, when governments traditionally pay off debts and save for the future, should set the alarm bells ringing. Furthermore, projected increases in the cost of government programs, as populations age and economic growth lags, give cause for further concern.

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