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Discussion Report

The Conference appreciated the importance of linkages and agreed that the lack of them is a sign of an underdeveloped economy. It was even suggested that the degree of linkages is a better measure of the stage of development than income per capita, since the latter may be based largely on the export of raw materials thus resulting in an unbalanced economy.

The question as to whether linkages should be promoted in order to develop the economy or whether the formation of linkages follows the development of the economy, was discussed at some length but not resolved.

The scope for the development of linkages within the domestic agricultural sector was seen to be considerable but it was generally agreed that the demand for fresh local produce should be promoted and satisfied first. The expansion of the local food processing industry should then follow. However, consideration of the balance of payments may be an important constraint upon the development of domestic agricultural activities linked with other industries if such development is detrimental to traditional export agriculture, and this possibility should not be ignored.

The lack of linkages between domestic industry and traditional export agriculture is due to the colonial history of the territories. It was deplored that, even now, purchasers in metropolitan countries discourage the further processing of primary products within the country of origin.

In considering the techniques used in the paper, it was agreed that traditional input-output models were not well adapted for use in analysing a dynamic situation and were therefore not suited to the particular needs of the Area. However, in spite of this criticism it was granted that there was still considerable interest in the information presented. As an example, attention was drawn to the fact that whereas in Trinidad and Tobago over eighty per cent of the output of 'other agriculture' went into final demand without further processing, the equivalent proportion in the United States was only 25 per cent (compare Tables 4 and 7).

Considerable doubt was expressed about the practicability of formulating complex and sophisticated input-output matrices when much of the data required is unreliable or unavailable. The lack of reliable data on domestic agriculture is a particular handicap in this context. At the same time, it was accepted that 'empty boxes' in a matrix present a challenge to the researcher to fill them and to establish coefficients with other sectors of the economy.

Although it was agreed that Wyke had performed a useful service by presenting data on inter-industry linkages within two Caribbean economies, it was also noted that no regional picture had been attempted. It was agreed that future work in this field ought to be done within a regional framework and that any new matrices developed should permit this broader approach.

THE BARBADOS AGRICULTURAL SECTOR