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## Discussion Report

In discussion, there were several criticisms of the restriction of the analysis to the livestock sector and to the objective of balance of payments support. It was felt that greater consideration should have been given to :

- (a) the benefits of structural transformation;
- (b) the benefits of labour absorption;
- (c) the role of import substitution within a wider framework of overall development policies.

Several questions were asked concerning :

- (i) the various means used to complement import substitution in promoting agricultural development;
- (ii) whether the policy of import substitution was not in fact detrimental to regional development;
- (iii) the extent to which the growth of the Trinidad and Tobago livestock sector represented a net addition to agricultural output;
- (iv) whether the policy had been judged most effectively by the methods used, or whether the criterion of a ratio of domestic production to total supply would have been more suitable;
- (v) if the most appropriate time-span had been used to make the judgement, in the sense that over a longer period the imported capital inputs would be written off and the net gains would then be seen to be higher.

It was suggested that import substitution had to be considered not only as a policy of import restriction but that various other tools could be and were used to achieve import substitution. These means included :

- (a) tariff increases to discourage imports;
- (b) 'buy local' campaigns to encourage changes in tastes and import displacement;
- (c) domestic farm price supports and market organisation to facilitate sales;
- (d) production subsidies, direct and indirect;

- (e) development of storage and processing facilities to enlarge outlets;
- (f) development of industries backward-linked with agriculture, for example fertilizer and feed supplies;
- (g) infrastructural development — roads, water supplies, etc. .

While some of these measures would lead to import substitution through diversification and growth of local production, it was felt that discussion of several of these should come under the heading of diversification rather than that of import substitution. The assistance to the balance of payments is in fact the main justification for an import substitution policy. Once the other objectives are taken into account then the relevant policies would be not only import substitution, but also the other indirect and direct means of achieving growth in the agricultural sector.

It was argued that criticism of import substitution policies should distinguish between the policies themselves and their implementation as there might be instances where the faults lay in administration.

In the context of this wider discussion it was suggested that import controls had an important part to play at certain stages of growth. It may be necessary to have such controls in order to ensure a smoother transition to a higher level of internal economic integration — to force the growth of output and labour absorption, and to force linkages between agriculture and industry where otherwise the stress of unbalanced growth would lead to inflation or higher imports instead of agricultural development. The gains from these policies had to be measured over the whole of the relevant time period specifically for the livestock sector. Where it had been argued that gains were limited because of a constraint on feed production, it was suggested that local feeds could be developed without absorbing too many resources, by growing corn in rotation with sugar cane and developing more intensive land-use patterns. Import substitution would not then detract from export earnings from cane.

It was agreed that import substitution policies were valuable aid to agricultural development, but that it was important to study the effects critically, ensure proper phasing of the programme and close planning so as not to waste resources.