



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

II. Rationalization of Caribbean Agriculture - Constraints and Methodology

This paper attempts to summarise discussions aimed at clarifying the concept of rationalisation, identifying the constraints and suggesting methodological approaches to alleviating the constraints.

Rationalisation is conceived as a strategy for achieving increased welfare for Caribbean peoples through the reallocation of resources in agricultural production and marketing within the region. Such a reallocation should achieve increased production and productivity. The resulting gains should be divided equitably throughout the region. The fragmentation of the region into separate political units presents inherent problems in the implementation of rationalisation since any approach to regional cooperation cannot be based solely on economic considerations. Social and political considerations of individual territories may give rise to conflict with regional objectives. Against this background we have identified a number of constraints to rationalisation which provide the basis for the examination of possible methodological approaches.

Constraints

Constraints to rationalisation are discussed under five basic headings namely:-

- (a) Production
- (b) Marketing
- (c) Research
- (d) Training
- (e) Planning.

It must be recognised that this classification is arbitrary since there is a high degree of inter-relatedness among the above areas. For each of the above areas some regional objectives are specified and the major constraints are indicated.

Production

Regional Objective - Optimal regional resource use in production whilst minimising dependence on extra-regional imports.

Constraints -

- (a) National policies of diversification and self-sufficiency which lead to wasteful competition and duplication. This to some extent has been overcome by bilateral agreements e.g. Rice Agreements or regional agreements e.g. Oils and Fats Agreement.
- (b) Lack of effective machinery for implementing decisions reached at Carifta Council of Ministers level. For example, under a recent scheme -- *Identification of products and guaranteed markets* -- in which the MDCs agreed to *undertake whatever national measures that are necessary to ensure that their capacity to absorb the agreed quantities of the product is not affected* and the LDC agreed to undertake production of specified quantities of selected commodities. The desired production was not achieved.
- (c) Low level of expertise of the farmers in particular and to some extent the extension staff,

and inefficient deployment of an already inadequate staff of specialist and extension workers on a regional basis.

- (d) Size of farm in relation to economic size of unit of production for the particular products involved.
- (e) Land tenure pattern in relation to security of tenure and the length of production cycle. The present land tenure pattern is likely to inhibit planned long term production.
- (f) The marked bias towards traditional export crops and the developed institutionalised production and marketing thereof.
- (g) Present internal infrastructure -- in particular inadequate roads and irrigation facilities.
- (h) Lack of regional mobility of capital and labour.

Marketing

Regional Objective - An efficient collection, distribution and pricing system:

- (a) to stimulate regional production
- (b) to allow maximum use of any territorial comparative advantage, and
- (c) to maximise processing of potential and actual products of the region.

Constraints -

- (a) Lack of adequate and effective institutions to facilitate the marketing of agricultural products other than traditional export crops.
- (b) Lack of adequate and efficient market information systems at both national and regional levels.
- (c) Lack of implementation of accepted grading systems.
- (d) Inadequacy of existing plant and animal quarantine regulations.
- (e) Small size of total and individual national demand and volume of trade involved for intra-regional products.
- (f) For extra-regional trade it can be small size of production levels in some cases and small size of market in other cases.
- (g) High marketing cost due to enforced transfer from agency to agency because of introduction of trade between territories.
- (h) Lack of adequate storage facilities.
- (i) Development of technology suitable to the potential volume of production and resources available.
- (j) Consumer preferences and lack of dynamic consumer education
- (k) Inadequacy of system, organisation and facilities.
- (l) Spatial location of the territories.
- (m) Direction and volume of trade which would be reflected in unit cost.

Research

Regional Objective - To maximize benefits from the available resources of the region as a whole.

Constraints -

- (a) Insularity causing isolation and duplication.
- (b) Lack of adequate resources and lack of coordination of existing resources.
- (c) The failure to divert adequate resources into agricultural research with the possible exception of traditional export crops.
- (d) Lack of availability and accuracy of information in particular for economic research.

Training

Regional Objective - To optimise the number and level of trained personnel including farmers with the resources available.

Constraints -

- (a) The existing education systems which create an inherent bias against agriculture, which automatically reduces the base for selection.
- (b) Limited information available from research.
- (c) Inadequacy of facilities and funds for in-service training and farmer training in particular.

Planning

Regional Objective - The coordination of national development policies on a regional basis to make effective use of resources available.

Constraints -

- (a) Divergence of national policies because of their similarity rather than complementarity.
- (b) Lack of commitment and acceptance of a regional planning agency partially due to the short period over which regional cooperation has been developing.
- (c) Lack of information at a national or sectorial level in particular including the effects of planning decisions on the welfare of the region.

Methodology

In determining methodological approaches to rationalisation, we have grouped several of the constraints from the various areas discussed above and have suggested a general approach for dealing with the constraints. This approach is discussed under three separate headings namely:

1. Basic information and analysis
2. Agrarian reform
3. Caribbean Development ideology.

Here again, there is, obviously, a great degree of inter-relatedness among these three headings.

Basic Information and Analysis

There is a need for basic information and analysis of the potential for alternative combinations of the stock of resources in the region. Areas for consideration include:

- (a) Estimates of demand for alternative goods and services throughout the region both for regional consumption and export. These demand projections should be based on:
 - (i) nutritional requirements of the region
 - (ii) changes in the population and population distribution
 - (iii) income elasticities of demand.

Mention was made of the fact that the use of population food balances to the exclusion of estimates of income elasticities of demand involved certain disadvantages such as the fact that population estimates introduce similar if not greater inaccuracies as income projections; and also that the exclusion of income in the analysis of food balances constituted an important omission from the analysis since the two are not mutually exclusive.

Using the example of the demand for beef, it was shown that the type of analysis needed, involved not only the analysis of the demand for beef but also of the various cuts of carcass, A regional approach to beef development and the initiation and maintenance of the stock of beef cattle in the Region was necessary.

- (b) Projections of supply and costs of production data
- (c) Estimates of potential employment levels and manpower needs
- (d) Analysis of marketing and credit institutions
- (e) The establishment of production targets for the regional agricultural sector.

The results of these research efforts would establish the information base needed to solve the constraints of lack of information, with respect to planning, education, research, production and marketing.

Agrarian Reform

The group considered that Agrarian Reform should include both consolidation of small holdings and more equitable ownership of large plantations. It was felt that agrarian reform is necessary to make the institutional infra-structure capable of encouraging and accommodating increased production arising from rationalisation plans. It is in this context that the constraints of farm size, land tenure, infra-structural requirements can be dealt with.

Caribbean Development Ideology

The constraints of:

- (i) Regional mobility of capital and labour,
- (ii) Training and deployment of committed expertise at all levels
- (iii) Inadequate development of technology
- (iv) Consumer preferences and education
- (v) The bias towards the allocation of resources for export crops

(vi) Insularity, and the lack of commitment to regional planning

(vii) Educational system creating a bias against agriculture.

Call for the development of a political ideology suited to the region and characteristic of West Indian life. This is necessary because of the lethargic response to national plans in the past due to a lack of the necessary psychological drive and commitment.

Implementation

On the question of implementation there were two schools of thought:-

- (i) The implementation could be approached through the organisation of vibrant farmer organisations in each territory. These would take part in the formulation and implementation of the national plans. These national plans having been devised with consideration given to regional policies.
- (ii) The implementation should be approached through the formulation of a regional plan which would be filtered down to the national and then to the farm level.

There was a strong feeling that the first school of thought on the question of implementation would be more meaningful to the Region since it involved participation of the farmers at the initial stages as they would be the ones to implement any such programmes. Where vibrant farmer associations existed they could help in the formulation of national plans; where non-existent, agricultural ministries or their extension staff would have to formulate plans involving farmers to the greatest extent possible.

It emerged also that this planning, though involving the highest degree of participation, should be accompanied by research and consultations at a higher level, and with the feedback from farmers should provide material for an acceptable programme.