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A CRITIQUE OF SECTION III

(Case Study Report on An Integrated Production and Marketing System for the Antiguan Agricultural Sector)

S.C. Birla

(Senior Lecturer, University of the West Indies, St. Augustine, Trinidad)

Thank you very much Mr. Chairman. I don't think I have very many comments on the Methodology which was just presented by Dr. C. Pemberton, but before I make any comments I should like to make a few observations on the Case Study. Of course, with your permission, Mr. Chairman.

First of all, let me commend the Caribbean Agro-Economic Society for undertaking another challenging Case Study. The Case Study provides very useful information. A few problem areas could be identified from this information. If one examines the land tenure system and land ownership in Antigua, one is likely to believe that the basic problem in agriculture is that of "Men without land and land without men". In other words, land distribution is highly skewed.

Another problem that could be identified in the Case Study and which has also been emphasized by the Honourable Minister is the high unemployment rate. The Study has quoted the official rate of unemployment as 30 per cent. But there are other data in this very study which, when used to recalculate the unemployment rate, will show it somewhere around 40 per cent. Other problems that emerged out of this Study are:

1. Continuous and ever-increasing deficit in the balance of payments.
2. Decline in agricultural production.
3. Leakage of the tourist dollar.

One thing that has bothered me about this Case Study is the lack of precise objectives of the Study. For what do we integrate production and marketing? Do we integrate just for the sake of integration? Or should we integrate production and marketing so as to raise the income and standard of living of small farmers by generating additional employment. It could also reduce the food import bill. Though these or any other objectives are not specified in the Study, some of the objectives are certainly in the minds of the Study Team.

The President of the Society indicated that approach is being made to various funding agencies for implementing the recommendations emerging out of this Case Study. I feel these agencies and the Government of Antigua would like to know the likely impact of implementing these recommendations. Again, in the absence of precise objectives, it seems very difficult to evaluate the impact.

The behavioural model proposed in the Case Study by Dr. C. Pemberton is based on the general theory of equilibrium. It is one of the oldest and most useful analytical tool of economics. It is also quite flexible in its uses. Assumptions made for the use of this model are quite relevant. I

fully agree with Dr. Pemberton in choosing this model and I commend him for explaining the operation of this model in very simple language. There are basically two types of models, viz. static and dynamic. The proposed model belongs to the category of static models. It means that input-output coefficients and prices are known with certainty for any future projections. The data requirements for dynamic models are too rigid and any complicated model must be avoided if data are not very accurate. Another very useful static model is one based on linear programming. I think if the objective of the Study had been to maximize the production or income from given resources, Dr. Pemberton might have suggested the use of a linear programming model for the Case Study.

Regarding the application of this model, it could be applied with a great degree of success to a particular sector rather than a farm or firm. For an individual farm, particularly small farms in a developing economy, Farm Planning and Budgeting is still the most effective approach. I need not say much about this approach as what Dr. Hildebrand described in his address last night could be considered as a Farm Planning and Budgeting approach. It is based on a simple principle of added costs and added returns.

The recommendations for the formation of committees and their compositions as given in the Case Study do not necessarily follow either from the model or from the Study. These are based on the experience of the Team and their knowledge of the local conditions.

Thank you.