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OPENING ADDRESS

PATRICK ALLEYNE

(Permanent Secretary, Ministry of Food Production & Marine Exploitation, Trinidad, W.I.)

Ladies and Gentlemen, permit me, firstly to indicate my personal sense of privilege in having been afforded the opportunity by the Conference organizer to make a few opening remarks on the occasion of this, your Twentieth West Indies Agricultural Economics Conference.

My Minister, the Honourable Brinsley Samaroo would have liked to be here with you this morning, but is unable to do so since he is accompanying the Honourable Prime Minister on a visit to Venezuela. I bring you warmest greetings from him.

In the Caribbean context, a Conference of this nature is inevitably of considerable interest.

Your theme for the Conference is: "*Economic Development through the Revitalization and Modernization of Agriculture*." The word *development* has not lost any of the excitement which it has conjured up over the past few decades. It remains in the forefront of analytical work in many areas within academia - economics, sociology, Government, the environment etc. It also has reality in the world of politics, in matters relating to international aid, and technical assistance and, of course, in day-to-day public administration.

More particularly, your Conference will focus on development with special reference to the Agricultural Sector.

Our concern with development evokes an almost equal concern with growth. Without meaningful growth in the economy, we do face a problem with the matter of distribution in the development process.

Recent analyses of available data illustrate that an overall generalization on the performance of the economies of our Caribbean States is far from easy. Considering the past 10-12 years, some economists will say generally *fair* for the Caribbean countries, with perhaps, a higher rating of *good* for the OECS sub-group. On the other hand, Jamaica, Suriname, Guyana and Trinidad and Tobago have,

in large measure, experienced depressed economies. In some instances, the economists prefer to speak of an actual *collapse* of the economies with the attendant social and economic difficulties, especially for the years 1982-1985. What does this mean, given your concern with economic development?

Within the CARICOM context, Jamaica, Guyana and Trinidad and Tobago account for some 67.9 percent, or more than two-thirds of the population. While for the OECS States, we have an indication of 4.2 percent real GDP growth for 1980-1985, compared to 0.8 percent for the rest of the Caribbean and Latin America, the reported actual figures for these three states are -1.7 percent for Jamaica, -2.9 percent for Guyana, and for Trinidad and Tobago -5.2 percent. The figures for 1986-87 for Guyana, Trinidad and Tobago and also Suriname are far from encouraging.

It is quite clear where the economists and other development experts will find home-grown data for economic analysis and debate on *structural adjustment* - at least for the next decade.

Messrs. Pantin and Best are already keeping our interests high via the local newspapers.

What all of this may suggest is that, in large measure, growth, and surely development, have, within the context of the Nation States, eluded approximately two-thirds or more of CARICOM citizens during the past five years. As for the rest, we are certain about growth, and undoubtedly, some development; what proportion of the remaining 33 percent of our people have experienced real development? It is the actual analysis of good data by people like yourselves which will reveal the real answers on the details of comparative distribution of benefits etc. within the context of growth at the macro level.

The search for implementable, effective and therefore, ultimately unqualified successful models for development, more so for the Third World, is by

no means easy. In a very recent article, Gary Gereffi* of Duke University, a specialist on global competitiveness, export networks etc. takes issue with the tendency in *conventional economic wisdom* which posits two apparently distinct *alternative economic strategies* for the development process. The first, an inward-oriented development strategy pursued by relatively large, resource rich-economies with industrial production geared towards the domestic market, is supposedly typical of our large Latin neighbours, e.g. Brazil, Mexico.

The second, an *outward oriented* approach adopted by smaller resource-poor nations which depend on global markets to stimulate rapid growth of manufactured exports being typical of the *four tigers* of Asia-Taiwan, Republic of Korea, Hong Kong and Singapore.

Gereffi argues against stereotyping and static conceptualization of development strategy and emphasizes that the so-called alternatives are not mutually exclusive and that over time there is a convergence of strategies of these two groups of countries, made somewhat inevitable by what he calls the *globalization of production*.

The *Global Factory*, as he calls it, has led to patterns of export specialization which are an outgrowth of distinctive industrial structures and social forces in each area. Each nation at any point in time, performs the tasks in which it has a cost advantage. The production of a single good can span several countries; this point is illustrated by the manufacture of the Ford Escort automobile which has been introduced into Europe - its components, we are told, are made and assembled in 15 countries on three continents.

Ultimately, caution is suggested on pronouncements related to development strategies without due attention to original circumstances of history, changing geopolitical environment and the accompanying changes and convergence in development pathways with the passage of time.

How optimistic ought you to be in this search for an effective development model. For those of you in academia, one of your colleagues wrote, quite recently:

"... as everyone knows, economic development has not worked. It is seen as a dismal failure. The 1950s and 1960s believed they had discovered economic development because they had new theories and new policies. These were widely acclaimed - though not all of them by the same people - as guaranteeing economic development."

None has worked as advertised.

"Why ... the widespread belief that development has been a failure? The answer is that the successes were not what economists and politicians meant by 'development' in the 1950s and 1960s. And what they expected and promised has indeed been a failure."

The writer points out that such *economic development* as did occur in that period was definitely not universal as was guaranteed for all. It was uneven and highly selective.

He reminds us that development *escaped* some countries completely. If he is correct, it may, in large measure, explain the recent collapse of the Berlin Wall, the dismantling of political and economic systems in Eastern Europe and the continued unabated violence in many countries much closer to us.

A new word for academia; the author says that these countries have *disdeveloped*. He does not only apply the terms to Argentina and Uruguay, he also states: *And a good deal of the Caribbean has 'disdeveloped'*.

Why disdeveloped?

Because, in his essay, Peter Drucker,** Clarke Professor of Social Science and Management at the Claremont Graduate School says that our theories of the 1950s and 1960s promised, *inter alia*, to eliminate poverty, to raise the incomes of the poor first and fastest and that they would not have had to wait!

I do not know if any of you in this room attended, like myself, the Agricultural Economics Conference in 1972, possibly in Grenada. I sat in awe when some of our then bright young Turks from academia literally tore into Arthur Lewis. I was among those who were shocked. Well, was it 1988? I was not there, but I read the reports - the same gentlemen, somewhat older, perhaps or little less revolutionary, got together to praise Sir Arthur after he was awarded the Nobel Prize.

For my own part, I am more familiar with the language of the early 1970s. In 1973, I returned to the USA and spent a lot of time under the spell of a young, bearded revolutionary-oriented professor as a *Sociology Minor*. 'Revolution', 'Dependency' and 'Underdeveloped' were the key words at that time. We read, debated, and wrote continuously on these items. Remember the names - Andre Gunder Frank, Dale Johnson, Cockcroft and others. You will also remember 1973 - Chile and Allende.

I read widely. Perhaps, I was saved from too narrow a focus by also being a student of John

Mellor and Uma Lele.

Well, we're on the threshold of the 21st century and we have a new word. But the general plight of those whom *development* has escaped (be their world one of under or disdevelopment) remains the same or relatively the same.

Your theme words include "*Revitalization and Modernization of Agriculture*". The development effort, pursued without a sound footing in the agricultural sector, cannot be sustained. The percentage of the labour force accounted for by the agricultural sector in CARICOM countries varies between 8-9 percent for Antigua, Barbados, and as much as 25-36 percent for Guyana and Belize. The contribution of the sector to GDP of individual countries also varies from as little as 4.0 percent for Trinidad and Tobago to 25-35 percent for Dominica and Belize; possibly 40% for Guyana.

We also know that within the context of inequality in personal income distribution within territories, agriculture labour incomes are generally well below those in other production sectors.

So that there can be no real development in the national context, without significant changes in income levels within the agricultural sector!

How will you advise; what strategies will you put forward on revitalizing and modernizing agriculture? Sometimes I wonder if it is that we do not know appropriate strategies or whether we simply do not have the will, including, of course, political will in some instances, to implement the strategies.

Perhaps, we should add another dimension - assuming we do have the theory, the models and the political will, is it that we lack bureaucratic or administrative skills for effective implementation?

These questions may be interesting points of departure at some time.

What must we do with our agricultural sectors?

We are being told that we must dismantle subsidies, but, in spite of all the talk at GATT and other fora, there are real fears as to how much will be achieved in the freeing up of trade. Look at the European Community; it spends almost two-thirds of its budget on agriculture, even though the sector only represents 0.7 percent of the GDP of Member States. Agriculture is serious business. About 70 percent of its products benefit from a price support system which provides, when necessary, a guarantee of price and disposal, the result being huge, "structural surpluses". The fact is - the richest farmers in the world, be they in the USA or in Europe are heavily subsidized; of course, at a

burdensome cost, billions of dollars! In the USA and Europe, they speak of "*farming the government*"! Can we afford it? If not, what are our alternatives in revitalizing our agriculture?

Mr. Chairman, my rather quick and very limited review of the sub-themes of the Conference sessions suggests considerable scope for debate. I note you have taken on board issues of Women and the Environment.

These days, you cannot speak of sustained development without due attention to the latter. Its a good word, I understand, to tag on to project proposals.

Looking at your overall programme, I am disappointed in not seeing any presentations by persons from the Government Ministries, especially the economists and other professionals in the various Planning Divisions. I wonder why? I do believe that these professionals from the University and their colleagues in Government Ministries and para-statal bodies etc. can put their heads together and use available resources for some serious analytical work.

Sound policy advisory work within the framework of Government demands knowledge, real-world perspectives, analytical process, the constant monitoring of data and adjustment or refining of strategies. Macro-economic competence in both the umbrella and sectoral Ministries is a key component of the policy framework matrix (and I refer to both direct and indirect policy influences) which determines agricultural outcomes.

Mr. Chairman, the Conference will last for approximately one week. I am hoping, that I could get back here for the Friday or Saturday sessions. I urge the participants to keep in mind what you will tell us at the end of the period; or in the wider sense, what we in the Caribbean, can hope for as a result of this Conference.

Can we anticipate the evolution of new initiatives or modified strategies aimed at impacting positively on agricultural productivity and rural incomes?

Do you anticipate being able to give enlightened hope to our political decision makers, to our farmers?

I anticipate that you will, at least, sharpen or focus on areas for research such as may give us answers for the future, or at least provide a meaningful evaluation of the development pathways on which we now tread in the Caribbean. I am not certain; have we examined closely public policy indicators of national significance and comparative Government behaviour towards the agricultural

sector in our various States?

You will note that the world of theory is filled with strategies and models relating to those countries which have already "*taken off*". How do you get economies like ours, more so, those which have disdeveloped, on to the true development track and keep them from derailing?

In essence, therefore, you, the participants in this Conference, have taken on to yourselves an important and challenging task - by the very theme you have chosen.

In your search for a development strategy, it will take more than the revitalization and modernization of agriculture to achieve overall

growth and development. You will, therefore, be forced to give thought to the models we have already tried and ultimately to new directions in which we must now travel!

I wish you a week of hard work and successful deliberations, and it is, therefore, with the greatest pleasure that I now declare this 20th West Indies Agricultural Economics Conference open.

Notes:

* See *Economic Impact*, No.70, 1990/91.

**Peter F. Drucker: "*The Paradoxes of Economic Development*". *Ibid.*