

CEPAL

Review

Executive Secretary of ECLAC
Norberto González

*Deputy Executive Secretary for
Economic and Social Development*
Gert Rosenthal

*Deputy Executive Secretary for
Co-operation and Support Services*
Robert T. Brown

Director of the Review
Aníbal Pinto

Technical Secretary
Eugenio Lahera



UNITED NATIONS
ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN

SANTIAGO, CHILE, DECEMBER 1987

C E P A L

Review

Santiago, Chile

Number 33

CONTENTS

Crisis, adjustment policies and agriculture. <i>Luis López Cordovez.</i>	7
Agricultural development and macroeconomic balance in Latin America: An overview of some basic policy issues. <i>Richard L. Ground.</i>	29
The rural sector in the socio-economic context of Brazil. <i>Raúl Brignol Mendes.</i>	39
Agricultural planning in the countries of the Caribbean Community. <i>Eduardo Valenzuela.</i>	61
Agricultural sector policy and macro-economic planning. <i>Trevor Harker.</i>	69
Argentina: Crisis, adjustment policies and agricultural development, 1980-1985. <i>Luis R. Cuccia and Fernando H. Navajas.</i>	77
The external crisis, adjustment policies and agricultural development in Brazil. <i>Fernando Homem de Melo.</i>	83
Colombia: Effects of the adjustment policy on agricultural development. <i>Astrid Martínez.</i>	91
Costa Rica: Crisis, adjustment policies and rural development. <i>Juan M. Villasuso.</i>	107
Chile: Effects of the adjustment policies on the agriculture and forestry sector. <i>Andrés Sanfuentes.</i>	115
Ecuador: Crisis and adjustment policies. Their effect on agriculture. <i>Germánico Salgado P.</i>	129
Mexico: Study on the financial crisis, the adjustment policies and agricultural development. <i>Jaime Ros and Gonzalo Rodríguez.</i>	145
Peru: Agriculture, crisis and macroeconomic policy. <i>Javier Iguíñiz.</i>	157
ILPES in its twenty-fifth year. <i>Alfredo Costa-Filbo.</i>	171
Recent ECLAC publications.	175

Agricultural planning in the countries of the Caribbean Community (CARICOM)

*Eduardo Valenzuela**

More than 33 States and territories make up the Caribbean basin today. For several centuries they were colonies of European powers —Spain, France, Netherlands, United Kingdom— and even today those countries, now joined by the United States of America, still make their dominant presence felt.

Although these peoples have that important common origin, the decisive factor is their awareness not only of similar manifestations of culture, tradition and custom but also of very similar forms of social organization and modes of production. The great common denominator is underdevelopment. The economies of most of the countries look to tourism as the lead sector, with all its dynamic but in many respects distorting effects.

However, the biggest and most densely populated countries —Cuba, Haiti, Puerto Rico and Dominican Republic— are exceptions to the rule. While these four countries have a total of about 30 million inhabitants, the other 29 States and Territories together have under 10 million, with examples of national mini-units of 6 700 inhabitants (Anguila), 8 600 (Turks and Caicos islands), 11 900 (British Virgin Islands), and 11 900 (Montserrat).

The Caribbean Community (CARICOM), established in 1973, represents one of the main attempts at integration; it consists of 13 independent English-speaking countries with a total population of 5.5 million.

This article is concerned with the institutional framework of agricultural planning in the countries of the Community. The priorities which emerge from examination of its characteristics are similar in some respects to the priorities which the Latin American countries are assigning to their national planning systems. These similarities are certainly not coincidental and they could form the basis for effective co-operation between the two regions.

*FAO agricultural economist attached to the Joint ECLAC/FAO Agriculture Division, Santiago, Chile.

I

The Caribbean Community

Thirteen English-speaking Caribbean countries are at present members of the Caribbean Community (CARICOM). They are located in the Caribbean Basin, the area of the world with the greatest concentration of small developing countries. Their characteristics are heterogeneous, as are their cultures, histories, peoples, languages and institutions. The new economic and political developments of recent decades have been superimposed on a common economic, social and cultural history which lasted more than 300 years. Today this history represents a genuine heritage, without which the Caribbean Community would be no more than a declaration of intent with no shared destiny, nor a desire to subsist and survive as a different identity among the 33 countries and territories in the vast Caribbean region.

The 13 politically independent countries have hardly more than five million inhabitants; only one of them, Jamaica, has more than two million, and only one other, Trinidad and Tobago, more than one million. Of the other 11, several have barely 100 000 inhabitants and one of them, Montserrat, has only a little over 12 000 (table 1).

The entire natural, economic, sectoral, social and political environment of these countries today must be seen in this demographic context. Some of the countries —Antigua, Barbados and Guyana— established in 1967 the Caribbean Free Trade Association (CARIFTA); others then joined them, and in 1973 the four States independent at that time —Barbados, Guyana, Jamaica and Trinidad and Tobago— set up the Caribbean Community (CARICOM), also known as the Caribbean Common Market, which was subsequently joined by the other nine independent countries. The Caribbean Community came into being by signature of the Treaty of Chagaramas at Trinidad (4 July 1973), the first paragraphs of which state that: "The Governments of the Contracting States, determined to consolidate and strengthen the links which have existed historically between their peoples, share the common determination to realize the hopes and

Table 1
CARICOM: STATISTICAL PROFILE, 1985

	Area (km ²)		Population (thousands of inhabitants)	Per capita GDP (dollars)
	Total	Agricul- tural		
Antigua and Barbuda	440	80	80	2 244
Bahamas	13 942	90	232	7 822
Barbados	431	330	253	4 894
Belize	22 960	520	166	1 110
Dominica	750	170	78	1 132
Grenada	345	140	100	961
Guyana	214 970	4 950	791	584
Jamaica	11 242	2 650	2 311	858
Montserrat	102	10	12	3 118
St. Christopher, Nevis and Anguila	269	140	46	1 469
Saint Lucia	616	170	137	1 245
St. Vincent and the Grenadines	388	170	109	933
Trinidad and Tobago	5 128	1 580	1 181	6 538
Total CARICOM	271 583	11 000	5 496	2 574

Source: Caribbean Development Bank, *Annual Report 1986, 1987*; and FAO, *Production Yearbook, 1986, Rome, 1987*.

aspirations of their peoples for full employment and improvement of their working and living conditions."

In addition to the other concerns of Community business, the States of the Caribbean Community have had to cope, individually, in the last quarter of a century with severe difficulties resulting from their new political independence. Since then the Caribbean Community has cherished the conviction that this independence must open the way to a new way of life, in which the great mass of the people would begin to enjoy better living standards, more and better job opportunities, more personal freedoms, and greater emotional and psychological strength derived from the development of a national, English-speaking and Caribbean identity. However, at present in the region as a whole, human

and social progress is still extremely far from achieving the rates of improvement that the majority of the peoples would consider satisfactory.

The regional integration of the Caribbean Community represents above all a commitment on the part of the member States which stems from their common awareness that in each country and in the Community as a whole maximum use must be made of physical, human, scientific, technological, financial and organizational resources, both available and potential. Management of the resources requires clarity and agreement about the development priorities; it also requires high levels of output and the distribution of the fruits of economic growth in such a way that the basic needs of the people are effectively satisfied.

II

Planning and the agriculture sector

The situation and characteristics of the English-speaking countries of the Caribbean have been seriously affected by the gloomy international background of the present decade. The governments of the region are agreed that the small economies of the area, with their specific and difficult problems, such as the ecological and climatic environment, small markets, growing labour force pressing for fair opportunities, etc., will not be able to generate spontaneous forces to achieve substantial improvements from the present situation. Hence the awareness of the need to resort to the tool of planning, which the countries of Latin America are taking up after a lag of exactly a quarter of a century.

But in global and sectoral development planning the countries of the region will not necessarily have to travel the roads taken by the Latin American countries. On the contrary, the new historical development of the international community in recent years is affecting the present structures and determining in each situation future actions which, being carried out in different contexts, will be suitable in some cases and unsuitable in others.

The sectoral situation of agriculture and the effort which the English-speaking countries of the Caribbean are making to alleviate underde-

velopment, poverty and malnutrition are helping the institutions of the public agricultural sector to hold renewed hopes in the potential results of agricultural planning. Today the needs and priorities of overall and agricultural development in these countries mean that the national planning systems must redefine their conceptual framework and at the same time make proper use of their action methodologies and tools.

The agriculture sector contributes to different extents to the formation of each country's total product. In many cases national economies respond much more dynamically to stimulus from other non-farming sectors of activity. Hydrocarbons and other minerals are very important in Trinidad and Tobago; the tertiary sectors, especially banking and international services, are of great importance in countries such as Bahamas, Barbados and Grenada.

But in several countries the tourism sector and its related activities are the main axes of growth. In all 13 countries of the region, except for Belize and Dominica, it is estimated that earnings from tourism are greater than the value added of the agriculture sector. The CARICOM countries can be grouped as follows in terms of the contribution of tourism to the total economy:

Group A	Antigua and Barbuda, Bahamas, St. Christopher, Nevis and Anguila.	Tourism roughly 50% of national activity.
Group B	Barbados, Grenada, Jamaica, Montserrat, Saint Lucia, St. Vincent and the Grenadines.	Tourism roughly 25% of national activity.
Group C	Belize, Dominica, Guyana, Trinidad and Tobago.	Tourism less than 10% of national activity.

The importance of tourism in the economies of the region is not limited to the sector's status as a dynamic activity for exports, demand, infrastructure, jobs, etc., for it also has an obvious influence on agro-foodstuffs production, consumption habits and domestic food supply, as well as exercising heavy pressure on imports.

In addition to the activities and effects associated with tourism in the English-speaking Caribbean, attention must also be drawn to the powerful impact of flows of "remittances" from abroad. Large numbers of workers emigrate to the United States and Canada, from where many Caribbean emigrants periodically remit money

and resources to their families, returning after some time in many cases with a major contribution to make in ideas, habits and foreign exchange. These contributions can be of great importance in countries with small economies. In a country like Montserrat for example, with barely 12 000 inhabitants, it is estimated that some three to four thousand persons, i.e., equivalent to 25% of the population, are Americans and Canadians who have come to the island to

live and spend a large part of their pensions.

Although the formal economy absorbs part of the effects of these phenomena, there is no doubt that they are decisive factors, together with tourism, indirectly affecting all areas of national life and directly and decisively affecting the supply and demand structure of agro-foodstuffs.

The CARICOM countries can be grouped into three categories in terms of the share of agriculture in the overall economy:

- | | |
|---|---|
| a) Countries where farming accounts for over 20% of total GDP. | Dominica, Guyana, Belize. |
| b) Countries where farming accounts for between 10% and 20% of total GDP. | Grenada, St. Vincent and the Grenadines, Saint Lucia, St. Christopher and Nevis. |
| c) Countries where farming accounts for under 10% of total GDP. | Barbados, Jamaica, Antigua and Barbuda, Montserrat, Bahamas, Trinidad and Tobago. |

In all these countries exports of traditional farm products constitute important segments of agriculture with respect not only to foreign-currency earnings but also to use of physical, technological and capital resources. Bananas, sugar, rice and cocoa are their main export crops and they occupy a large part of the arable land. The behaviour of the international market in these products (demand and prices) therefore has a direct effect on the respective national farming sectors.

The agricultural development of the countries of the community is characterized, to a different extent in each of them, by the simultaneous influence of problems of various kinds, of which the following are the most important:

i) Problems connected with the structure of land ownership and tenancy, with heavy concentration and a clear correlation with economic, social and political power;

ii) The existence and importance of a modern agricultural sector oriented towards external markets, especially in the production of sugar, bananas, rice and cocoa;

iii) The existence of a large number of small production units engaging mainly in traditional peasant farming, where priority is given to subsistence crops and production for local markets;

iv) The existence of large numbers of rural unemployed and underemployed, consisting of

landless workers and peasant farmers with surplus manpower;

v) The persistence of low capital intensity per man employed, which results in low productivity and a slow rate of capital accumulation, and has a negative effect on personal incomes;

vi) The very unequal distribution of income and the poor access to factors and services, which result in a very poor quality of life for a large part of the population;

vii) Inadequate institutional support in rural areas, not only with respect to basic services such as education, health, housing, water, electricity, etc., but also with respect to institutional production services in such areas as extension, credit and marketing;

viii) The lack of adequate channels for community participation;

ix) The lack of plans and programmes for the use of productive resources, which results in low profitability and continual deterioration of natural resources through erosion, destruction of forests and water pollution;

x) Low levels of formal education and little determination to educate for development.

From among the main identified obstacles to the promotion and administration of agricultural development in the English-speaking countries of the Caribbean, the following areas have emerged as priority ones for sectoral planning:

- The need to improve the quality of basic information —statistical and qualitative— for the promotion and administration of the sector's development;
- The need to enhance the effectiveness of the projects cycle and the investments cycle for agricultural growth and development;
- The need to manage change, both in the farming and food sectors and in the integration of agriculture in the whole economic system.

III

The Latin American experience and the institutional framework for agricultural planning in the Caribbean Community

The storage, processing and systematization of information for the planning of agricultural development, the cycle of development and investment projects, and the institutions to administer the processes of sectoral planning seem to constitute the point of contact with respect to priorities for sectoral planning in all the countries of Latin America and the Caribbean.

In the experience of the Latin American countries recent years have confirmed a picture of frustration with developmentalist and structuralist theories; in turn, the debate about the planning and reform of structures seems to have been consigned permanently to the second rank. The neoliberal postures, far from assigning to agriculture the dynamic and central role which it played in the past, have scarcely recognized its importance in the problems of employment, foreign exchange, food supply and poverty.

Recognition of this fact has brought new emphasis to the planning function, with greater priority for programmes of integrated rural development and food supply and nutrition, and for initiatives connected with food security. The emphasis on plans has also been replaced by the preparation of special studies; and in addition, in response to encouragement from the international and national financial sectors, there has been renewed interest in giving priority to the techniques and processes of the identification, formulation, financing, execution and monitoring of investment projects.

There are various reasons for the rather unsatisfactory results of the evaluation of the planning of economic development in the countries of Latin America. It must be remembered that planning, and more specifically the preparation of global and sectoral development plans, has existed in the region in parallel and conjointly with the proposals and requirements of the Alliance for Progress, with developmentalist thinking, and with the structuralist stance of ECLAC itself.

In the various national experiences the different kinds of analysis have led to interpretations and conclusions which indicate different causes for the failure of planning. Some attribute the main cause to the lack of political will to carry through the strategies, programmes and policies entailed by the stated objectives; others blame the limited institutional capacity of the public apparatus or the planning techniques and methods used; some lay the blame on the failure of the State to secure structural changes in power groups; lastly, the economic and political decline of the farming sector in relation to the other sectors of activity and the transnationalization of the agro-foodstuffs system are also mentioned in the judgement on the sectoral planning process.

In the countries of the Caribbean Community, with a few exceptions such as Jamaica and Trinidad and Tobago, planning systems are very embryonic. In most of the countries these systems have been used for making diagnoses without any prior definition of the conceptual

framework of sectoral planning; this has resulted in obvious defects in the diagnoses with respect to their use as tools in programmes and policies of agricultural development.

Today the three priority areas, i.e., improvement of the quality of the sectoral planning information, the integration of the projects cycle and the investments cycle, and the upgrading and restructuring of institutions to administer the planning process constitute a clear, agreed and explicit common denominator in all the English-speaking countries of the Caribbean.

As was pointed out earlier, today this common denominator is also an urgent priority in the Latin American countries.

In the Caribbean Community this holds good for Jamaica and Trinidad and Tobago as well, where the institutional structure of the planning systems is stronger and more experienced than in the other countries. It must be remembered that these two countries contain more than 60% of the Community's total population.

In Jamaica the Planning Institute of Jamaica (PIOJ) is responsible for the development and administration of the national planning system, for which purpose it enjoys, *inter alia*, the considerable technical support of the Project Development and Economic Programming Division. It is also responsible for co-ordination of project areas related to planning, acting as secretariat of the Pre-selection Committee which decides on the order of priority of investment projects. Where statistics are concerned, the PIOJ enjoys the active collaboration of the Statistical Institute of Jamaica (STATIN). Within the Ministry of Agriculture, agricultural planning services were recently reorganized in the Planning and Policy Review Division, which has three units: i) Planning; ii) Data Bank and Evaluation; iii) Rural and Physical Planning. The five-year agricultural plan for 1984-1988 is currently in force. Both national and sectoral planning are required to ensure co-ordination and consistency by means of permanent communication between and joint studies by the PIOJ and the Planning and Policy Review Division of the Ministry of Agriculture.

In Trinidad and Tobago national planning is the responsibility of the Ministry of Finance and Planning. Three five-year development plans

were formulated and carried out between 1958 and 1973. Then up to 1983, during the period of high oil prices, the emphasis in planning was on programmes with specific investment and development projects. From 1983 to today a definite multisectoral approach has been taken through the Multisectoral Task Force Report, which provides a framework for the preparation and permanent review of the sectoral development strategy. The bases for the identification, formulation, financing and implementation of development projects are updated in accordance with this strategy. Since 1981 the Ministry of Agriculture, Lands and Food Production has been organized into three sections concerned with sectoral planning: i) Policy, Research and Planning; ii) Programmes and Projects; iii) Statistics.

In these two CARICOM countries with greatest experience in global and sectoral planning, serious defects have been found in the inter-institutional co-ordination within their respective national sectoral planning systems. Similarly, as is often the case in the other countries of the Community, the new institutional structures adopted by the two countries give clear priority to the need to improve the information for the planning of sectoral development and to introduce criteria and mechanisms suited to the projects cycle within the general framework of the development strategies, and, lastly, the need to focus the efforts to promote development by means of *ad hoc* and structural institutional changes required by economic and social progress in the present regional and international circumstances.

Despite the geographical location and the third world status of the English-speaking Caribbean countries and the Latin American countries, it is nevertheless difficult to identify clear similarities between their economies. The experience of the Latin American countries could be useful to the countries of the Caribbean Community only to the extent that these countries can assimilate certain characteristics, which is unlikely to happen in view of their history, culture and institutional traditions. However, the new priorities described above, which in the case of Latin America result in part from its practical experience of planning and in part from the international situation, are determined

partly by that same international situation in the English-speaking Caribbean countries, but most of all by experience and by the adoption and assimilation of their own embryonic institutional structures which are the creators, depositories and driving-forces of the new modes of action for development.

This article began by identifying the areas of priority action in the planning of agricultural development in the CARICOM countries; it then offered some thoughts about the existence and influence of these priority areas in the Latin American countries. Despite their different his-

torical, cultural, social and political characteristics, it seems to have been the international situation which determined that the long road travelled by planning in the countries of Latin America should lead both regions to tackle the problem of the administration and promotion of development in a much more similar way than would be indicated by mere observation of the temporal evolution of planning processes in each of them: several decades in the Latin American countries and only a few years in the English-speaking countries of the Caribbean.

Bibliography

- Astori, D. and M. Buxedas (1984): *La planificación agropecuaria en América Latina: algunas lecciones de la experiencia*. Montevideo.
- Caribbean Development Bank (1987): *Annual Report, 1986*.
- FAO (Food and Agriculture Organization of the United Nations) (1986): *Problems Affecting Agricultural Development in the Small Island States of the Caribbean* (LARC/86/6). Document presented at the Nineteenth FAO Regional Conference for Latin America and the Caribbean, St. Philip, Barbados.
- Logan, D (1986): *Survey of agricultural development planning and training needs in the Caribbean (Barbados, Dominica, Jamaica, St. Lucia)*. Report prepared by the Joint ECLAC/FAO Agriculture Division and presented at the Workshop on Agricultural Planning Systems and Activities in English-Speaking Caribbean Countries, Port of Spain, February.
- Rudder, W.R. (1986): *A survey of agricultural planning (Belize, Grenada, Guyana, Suriname, Trinidad and Tobago)*. Report prepared by the Joint ECLAC/FAO Agriculture Division and presented at the Workshop on Agricultural Planning Systems and Activities in English-Speaking Caribbean Countries, Port of Spain, February.
- Secretariat of the Caribbean Community (1981): *The Caribbean Community in the 1980's*. By a group of Caribbean experts. Georgetown, Guyana.