

AGRICULTURE DONOR CONFERENCE

CROWNE PLAZA TRINIDAD HOTEL

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**AGRICULTURE AND RURAL DEVELOPMENT
IN THE CSME**

**PRESENTATION BY
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**Presentation on “Agriculture and Rural Development in the CSME”
Delivered by the Honourable Clyde Mascoll, Minister of State in the
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Heads of Government; Secretary General of CARICOM; Honourable Ministers of Finance; Honourable Ministers of Agriculture; Director General, FAO; Director General, IICA; Members of the Donor Community; Distinguished Delegates; Ladies and Gentlemen...

It is for me a great honour and privilege to be granted this opportunity to address such a distinguished gathering. Before I begin my presentation, I wish to apologise for the absence of my Prime Minister, the Right Honourable Owen Arthur, who unfortunately, along with our Minister of Agriculture, cannot be here today because of other Government commitments. They however extend their compliments to the CARICOM Secretariat, as well as to the Government and People of the Republic of Trinidad and Tobago for agreeing to host this important Donors Conference.

The shortage of funds for investment in agricultural projects has been identified as one of the key constraints to the development of the sector throughout the region. We in the Government of Barbados consider the removal of this constraint to be of major importance if indeed our agriculture sectors are to be repositioned and transformed in response to various externalities, which threaten to marginalize this important sector.

I therefore wish to extend a warm welcome, and our gratitude, to those donors who like us have recognised the importance of agriculture to the

economic development of nations such as ours. Your consenting to meet with us here today in an effort to strategise and adopt an approach for the mobilisation of the financial and technical assistance necessary for facilitating investment in the sector is testimony to your commitment to pursuing with us the development of agriculture in the region, which is greatly appreciated.

While acknowledging that my area of expertise lies in the area of economics rather than agriculture, I however recognise that the importance of the agricultural sector cannot be measured predominantly in terms of economic factors, such as its contribution to the Gross Domestic Product (GDP) and employment generation. We must also be ever cognizant that the role of the sector extends to the inclusion of other factors such as its contribution to food security, rural development, poverty alleviation, and environmental preservation.

Mr. Chairman, the Caribbean States in general exhibit the characteristics of small developing states. These include having small open economies that are susceptible to the vicissitudes of the global environment; dependence on the production of a limited range of goods and services; in addition to being faced with the high risk of natural disasters that threaten to compromise development efforts.

Yet despite these constraints, the Caribbean has been able to achieve levels of social, political and economic development that are commendable, the majority having been categorized in the medium and high categories of the Human Development Index (2006). In fact, while Barbados received the

highest rank of 31st in the Human Development Index (HDI) for 2006 from among the Latin America and Caribbean countries, other countries in the region have also performed commendably, St. Kitts and Nevis, Bahamas, Trinidad and Tobago; and Antigua and Barbuda ranking 51st, 52nd, 57th and 59th respectively, out of a total of 177 States.

There are still diversities in the Caribbean nations occasioned by differences in size, resource endowments, and in general, economic performance, that have resulted in the uneven distribution of development. Indeed, even within our countries, we experience pockets of poverty, which in some countries have been becoming increasingly worse. We in the region must therefore dedicate our energy and resources to reversing this trend, which threatens to compromise our development efforts.

Growth in agriculture is often the keystone for overall economic growth in most of our economies, contributing to increased employment opportunities for the rural landless and resource-poor farmers, thereby helping to eliminate poverty, especially in rural districts. The need for adequate investment in the agricultural sector is therefore critical to economic growth and needs to be acknowledged.

In CARICOM, we face a number of dilemmas for which resolution is more likely if we are able to act collectively as a region. I will however confine my presentation to just three related issues, which are considered critical to our development as a region. These are:

- (i) Public Sector Investment and Agricultural Achievements;

- (ii) The need for Increased Investment for Agricultural Sector Transformation; and
- (iii) Regional Coordination and Investment as critical elements in moving the Agriculture sector forward and achieving the CSME Vision.

Public Sector Investment and Agricultural Achievements

The public sector has been the backbone of the development of the agricultural sector historically. This has been related to both production and marketing activities that have facilitated successful exportation of agricultural commodities from the region. Government expenditure is also considered to be necessary and justified in areas such as research, extension and training programmes, because of the high level of externalities associated with these activities.

This public sector investment has supported the major drainage and irrigation schemes that have seen the rice industry in Guyana and Suriname prosper, it has supported all the feeder roads into the cocoa fields of Grenada and Belize. The marketing boards that have helped these commodities acquire international reputations got their start from Government subventions. These institutions such as the Jamaica Coffee Board have transitioned to being well run private sector driven entities. Importantly, it has also been the more general National Marketing Development boards that assisted the growth of the food crop and non-traditional export sector. These

investments contributed to establishing stable income sources in many of our rural areas and led to these areas being the drivers of our economies.

In the 1980's with Structural Adjustment Programme related conditions across many of our countries, public sector investment was reduced. The hope was that the private sector would have intervened to fill the investment and services gaps. This assumption is one of the main failures of international financial institution policy directed at developing countries. In a revision of their own policy approaches these institutions now fully recognize the critical synergies between public sector and private sector investment. One without the other has much less chance of success and when their investment is complementary both the public and the private sector investments have greater returns.

As a result of the reduced investment in the agricultural sector we have seen technology and extension services wither away, drainage and irrigation systems not maintained and rural roads falling into disrepair. Agricultural policy and planning institutions have lost considerable capacity and up until recently not enough attention has been paid to turning this situation around. We hope through this Donor meeting to galvanize our own efforts, along with support from our partners, to truly leave this period of agricultural sector neglect behind us.

Need for Increased Investment for Agricultural Sector Transformation

The reality is that we have not invested enough to bring about the transformation and diversification of our agricultural sectors. We have put

the policies in place, such as the Regional Transformation Programme for Agriculture. We have defined a Community Agricultural Policy in the Revised Treaty of Chaguaramas, and we have again outlined the constraints in the Jagdeo Initiative – but we have come forward with too few resources and too slowly. This reflects both the shortage of resources and our priorities. The global challenges facing our agricultural exports demand a change of emphasis in the agricultural sector. The increased debt challenges in some of our countries demand greater attention to saving and generating foreign exchange, while the food security and health challenges require attention to food availability and food accessibility – all of these challenges call for increased investment in our agricultural sectors.

It is the responsibility of the Governments of the region to collectively translate the policy documents we have endorsed into an enabling policy environment, and facilitate the kinds of public and private sector investment needed.

This need for investment in the agricultural sector is derived both from the opportunities that we have in the market and from the responsibilities that we have to our poorer and relatively more marginalized communities. Poverty in the Caribbean is similar to other regions in that our rural areas are relatively poorer than urban areas. We also need to invest in the agricultural sector as a part of the social responsibility of a government to create jobs for those in rural areas wanting to work. Perhaps most importantly many of these persons are our youth.

We need to invest to overcome the constraints facing the sector so that opportunities can be exploited. We have been working at the technology issues but we have not sustained that effort – there are too many examples across the region where research stations are a shadow of what they were two decades ago. Worse, while the traditional production technology work is still to be done, there are a whole host of new technology challenges upon us – meeting the food safety and quality standards, deciding on the role of biotechnology, incorporating new information technologies into our technology development and transfer systems.

Information and communication technologies should be seen in a broader context than technology transfer. They are playing the critical role of narrowing the physical distances between communities, making general knowledge much more accessible to rural communities and reducing the impact of inadequate infrastructure in other areas – such as roads, health and education facilities. In no way is this to suggest that information and communication technologies will replace the need for transportation, health and education infrastructure. However, building the institutional and human capacity to use information and communication technologies in association with the additional infrastructure services will enable even higher productivity gains to be made and over a shorter time period.

Can each of our member states independently achieve the levels of investment to meet their needs in all of these different areas? My answer to this is a resounding no. We must use the vehicle of the CSME to jointly meet our needs; we must share the investment and the capacities that must be built to serve all of our countries. I maintain we have a much greater

chance of achieving the agricultural transformation we are seeking if we are able to work more collaboratively and collectively.

How do we achieve the coordination and levels of investment required ?

We need strategic alliances within the region and between our region and others to realize the cross border investments in critical areas such as agricultural production, transportation and product market development.

Guyana and Suriname are large land masses with abundant natural resources. Factoring in tourist demand and increased development in Haiti, we can more than double our potential consumer market in the region. Bahamas, Trinidad and Tobago and others are potentially important sources of financial capital once the dynamic development linkages with the rest of the region are established. There is an opportunity for this coordination to take place through regional institutions but they need to be greatly strengthened. We have created many of the institutions that we need – if we are going to be successful as a region we need to make sure that they are equipped to do the work we expect from them.

We need to make the agricultural sector attractive. Currently, the average age of our farmers is high and, in some of our countries, the education levels are low. In rural areas, services and facilities are poor. These factors need to change if the agricultural sector is to be transformed. The youth need to be attracted to working in the agricultural sector and therefore need to be encouraged to pursue the relevant production technology and trading related skills they will need to be successful. In addition to the investments in rural

infrastructure and technology development, we need to look again at what we are doing in terms of agricultural education in our schools, at all levels.

Among the investment proposals before you is one from my own country focused on addressing the challenge of encouraging greater youth participation in the agricultural sector. This project aims to demonstrate to the youth the income earning opportunities available in the sector, in particularly through the adoption of new technology, namely greenhouse production.

Any coordination should have a vision of a regional market that demands services, recognizing that facilitating trading relations is a critical first step in expanding opportunities for member nations. Furthermore, understanding and promoting linkages between sectors for the benefit of the agricultural sector is essential. The tourism sector is most often mentioned in this regard, but the health and manufacturing sectors are not mentioned enough, and more can be done to enable the financial sector to facilitate agricultural sector investments.

I am pleased that you have all made the effort to attend this conference because we need partners, so that we can work together to make the potential synergies across CARICOM countries work more effectively, contributing to job creation and thus increasing the welfare of all the people of the region, especially for the poorest in our countries.

Caribbean leaders understand the challenges faced by the agricultural sector and see the development of the agricultural sector as a key component in building a successful CSME.

I look forward to the deliberations here today and I am confident that at the end, I will be able to report back to my Prime Minister, who has the lead responsibility for the CSME, that the regional integration movement is indeed working and the regional agricultural transformation process is on good ground.

I thank you.