Agricultural output and employment in CARICOM

The agricultural sector in most Caribbean countries have either declined or stagnated in recent years, primarily because of the contraction in traditional exports. Sugar, bananas, cocoa and rice have experienced price volatility in commodity markets and suffered from the erosion of European Union trade preferences. The exceptions are Belize, the Dominican Republic, Trinidad and Tobago, and Jamaica, where agricultural output has been growing at around 2-5% per year. As expected, declining output levels have had an impact on employment in the sector. Table 1 shows that both the agricultural population and numbers employed (excluding Haiti) have been consistently falling since 1980, a trend that is expected to continue in the future.

Despite declining trends in employment, the agricultural sector remains a significant employer throughout the region. As a result, Governments have been trying to address the ‘endogenous’ or internal constraints on the sector, several of which were recently highlighted as part of the ‘Jagdeo Initiative.’ They include:

- Labour shortages, both with regard to unskilled and skilled labour
- Limited access to land as a result of (a) the skewed pattern of land ownership; (b) competing demands by other sectors such as housing and tourism; and (c) poor management and utilization of the natural environment

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1 The “Jagdeo Initiative” is a regional effort, led by President Bharrat Jagdeo of Guyana, to develop a framework for repositioning agriculture in the region.
A fragmented and unorganized private sector

Outdated and inefficient health and food safety systems

Inadequate transportation systems, particularly for perishables

Weak marketing systems, linkages and participation in growth markets

Limited financing and inadequate new investments

Weak national statistical systems that affect the collection of agricultural statistics

The region’s response to the decline in traditional agriculture has been to implement programmes to raise productivity, differentiate the mix within traditional agriculture and introduce new crops such as papaya, mango, guava, sorrel, spices, herbs and root vegetables. Unfortunately, there are no official data on the performance of non-traditional exports. But countries such as Guyana have benefited greatly from increased trade with Canada in products such as organic heart-of-palm, mangoes and organic pineapples. Belize’s aquaculture industry has also been very successful. Regional food systems have shown strong growth in recent years, through both the formal and informal economies.

**“New” agricultural strategies for the future**

A recent paper by Kendall and Petracco\(^2\) from the Caribbean Development Bank outlined a ‘new agriculture policy’ for the region that merits consideration. The new policy refers to three strategies that could be pursued by different groups of countries in the region, depending on their resource endowments and areas of comparative advantage.

**Expansion of non-agricultural exports and de-emphasis on agriculture**

Countries that depend heavily on non-agricultural exports should de-emphasize agriculture and focus on a food security strategy based on the development of food reserves. Food stocks could be supplied by CARICOM countries which have a strong comparative advantage in agriculture.

**Agricultural export diversification**

Countries with strong agricultural sectors should move away from traditional agricultural exports and instead pursue a strategy of export diversification based on non-traditional commodities. These could include a variety of fruits and vegetables, some of which could be grown organically. This strategy suggests an exit from the sugar and banana industries.

**Competitive import replacement**

In order to meet food security concerns, countries pursuing an export diversification strategy should reduce food imports and expand production for the domestic market. Import replacement would differ from import substitution to the extent that domestic production would be required to be competitive. Competitiveness should be seen not only in terms of price but also taste, freshness, food quality and food safety. An orientation towards an organic approach is implied.

The labour implications of a strategy that de-emphasizes agriculture point to a reduction in agricultural employment and a need for re-training of workers to allow them to take up jobs in service-based and other industries. Agricultural diversification with a competitive import replacement strategy would require substantial input of specialized and skilled labour.

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Summary recommendations

(a) Pursue the agricultural strategies outlined in the recent Caribbean Development Bank study. These include a de-emphasis of agriculture in certain countries and export diversification with import replacement in others.

(b) Improve statistical systems and increase research and development activities. Countries should undertake regular agricultural censuses and produce up-to-date agricultural statistics to facilitate research in areas such as the dynamics of the agricultural labour market, productivity of resource use, and the scope for new agricultural crops and processed commodities.

(c) Assess the impacts of rationalization of the sugar industries in Trinidad and Tobago and Saint Kitts and Nevis. These case studies could assist in the implementation of a strategy that de-emphasizes traditional export agriculture.

(d) Form strategic alliances among commodity boards and associations. Such alliances could be fostered at both the national and regional levels to facilitate more effective marketing of commodities.

(e) Strengthen tourism-agriculture linkages. Specific suggestions are for the development of community-based tourism products such as eco-tourism, rural-tourism, agro-tourism; and new tourism co-operation processes such as tourism product clubs and enterprise networks.

(f) Increase training activities and build networks of professionals. Areas for training include the drafting of legislation for food safety, inspection and laboratory techniques; institution-building could include regional initiatives for monitoring and inspection; and standardization of curricula in educational institutions.

(g) Disseminate information in areas such as research and technology, trained and skilled personnel in the agriculture field, and current training courses and materials.

Box 1: “New” Agricultural Strategies: Some Suggestions

Expansion of Non-Agricultural Exports and De-emphasis on Agriculture
- Barbados, Bahamas and Trinidad & Tobago and possibly, Antigua & Barbuda, Grenada, Saint Kitts & Nevis and Saint Vincent and the Grenadines

Agricultural Export Diversification with Competitive Import Replacement
- Guyana, Suriname, Haiti, Belize, Jamaica and Dominica