

12-1991

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Recommended Citation

Odey, L. I. (1991). Bautista, R.M. "Agricultural Growth as a Development Strategy." *Economic Impact No. 66 PP. 24-28 1989*. CBN Economic and Financial Review, 29(4), 316-317.

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**BAUTISTA, ROMEO, M: "AGRICULTURAL GROWTH AS A
DEVELOPMENT STRATEGY", ECONOMIC IMPACT
NO. 66 PP. 24 - 28, 1989**

In this paper, the author attempts a further exposition on the on-going debate on the feasibility of adoption of an export-led strategy of economic development which considers "Agriculture-first" as the engine of growth. The author strongly supports an agricultural-based development strategy because it is capable of generating mass employment, it is anti-poverty as well as being an income redistribution programme. This strategy, he reasons, should be particularly appealing to countries with a heavy debt service burden since it is a foreign-exchange conserving programme given the lower import requirements of agricultural growth and its linkage effects compared with those of industry-led import substitution strategy. He traces the choice of an alternative strategy among most developing countries to the fact that before independence, the economies of most of them were closely integrated with those of the colonizing countries. Thus at independence, the desire to radically break away from the past "led perhaps inevitably to an industrialisation strategy based, at least initially, on import substitution". Consumer goods industries had to cope with poor quality and high cost of raw material inputs making them uncompetitive in world markets. There were also problems of employment and underemployment and of income inequality owing to the low labour absorption in their domestic economies.

He notes the unfavourable external conditions faced by LDCs and advises a reassessment of the prospective contribution of exports to economic growth. Quoting from him, he states that "More specifically, the strategy of industrial export-led growth, with developed countries as the principal export market, may no longer be a viable option for developing countries in the low-income and lower-middle-income categories".

In terms of a development strategy for the next 5 to 10 years, however, this adverse external environment implies for many LDCs that are not established exporters, that foreign trade can no longer serve as the primary source of growth. He therefore, advises that the "principal engine of growth" must be internally driven. He cautions too that agricultural growth in itself should only serve as an intermediate objective and that "the mechanism of agricultural growth and the generation of intersectoral linkages with the rest of the economy represent the key to rapid, broad-based and self-sustaining economic development".

The strength of the paper lies in the use of practical data and results of studies to show a positive relationship between agricultural and GDP growth. Results of these studies show that in a scenario of low world-demand, agricultural-led strategy not only "generates the same rate of industrialisation as does export-led growth but leads to a higher rate of labour absorption, a better distribution of income, better balance of payment results, less poverty, and a higher rate of growth of per capita gross national product than export-led growth". Consequently, Bautista warns against policies that penalize agricultural production such as protection to industrial import substitutes. This not only reduces the relative price of agricultural products against the domestic prices of protected industrial output but also increases the cost of industrial inputs to agricultural production.

While the author seems to be wholly in support of an agricultural based development strategy, the point must be made, however, that countries should examine critically their resource base. A country with high agricultural potential should first

develop this sector and then move ahead to industrialise. It is also conceivable for a country to pursue economic development from both ends if her resources permit. On the whole, Bautista's work will remain a reference material for policy makers in developing countries who desire progress at minimal cost.

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