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ON THE IMPORT-SAVING MYTH
A STUDY IN ECONOMIC POLICY WITH SPECIAL REFERENCE TO THE EXTERNAL SECTOR

BY

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Preface

The present study was originally meant as an introduction to a report on tourism and the role it can play in assisting to solve the foreign exchange problem. The idea was to establish the principle of considering a given policy recommendation within a general outlook for the economic condition and the integrated set of policies. It became apparent that such introductory remarks soon grew into an essay on policies related to the planning of the foreign sector. I have therefore decided to produce it separately, without claiming that it would turn into a thorough study of a subject that received the attention of economists for a long time, and still is.

Some of the ideas incorporated here had been treated at length in previous Memos. of the I.N.P. I have therefore closen to follow the same path, and I feel happy that the present Memo. is produced shortly after my return to join the Institute's staff. It may be claimed that little is being added; but I do not think that it is not customary in economic literature that an adviser may find it necessary to stick to his previous set of ideas. Twenty years ago, Harrod in his "Policy against Inflation" (p. vii) quoted Keynes remarking 'I seem to see the elder parrots sitting round and saying: "You can rely on us. Every day for 30 years, regardless of the weather, we have said 'what a lovely morning!' But this is a bad bird. He says one thing one day, and something else the next"' It is not my intention to avoid the

accusation of being a bad bird by turning into a parrot. I would rather join Harrod (ibid., p. 125) in saying "I have inveighed many times since 1949 against the devoluation of sterling in that year. So much so, that I have been charged in reviewswith having a bee in my bonnet. But a proposition may be stale, yet true. For, whatever may be said in defence of the devaluation, it cannot be regarded as a policy against inflation; rather it was an act of policy <u>for</u> inflation."

It is a common knowledge from textbooks that while devaluation may work in a state of depression (what we shall call case of deficient demand) it is rather ineffective in a state of inflation (excessive demand). The point is relevant to tourism in so far as it was one of the major areas of starting the foreign exchange premium, later extended to an ever growing so-called "parallel market". On the other hand, a presumably foreign-exchange earning sector is to be judged within the framework of the foreign sector. But this leads to another fundamental issue, namely the export-oriented vs. the import-substituting approaches. The latter is considered as "import-saving", a claim which we regard as a myth, hence the title of the essay.

Thus, the arguments have a bearing on current issues; but they are not meant to be a square treatment handling data and actualities. At the same time, they are not formalized in a rigorous theoretical expression. They are meant to elaborate in a less formal manner some of those issues and relevant

policies. Needless to say, the ideas berein expressed are purely personal, and do not reflect any official view. It is hoped that they would provoke enough discussion to provide the decision-maker with sufficient insight in the implications of alternative policies.

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1. Introduction

1- Most developing countries suffer from persistent difficulties in the balance of payments, which hamper their efforts to realize reasonable rates of growth. The problem has been recently accentuated as a result of world stag-inflation, and due to adverse changes in terms of trade. It has become one of the most fundamental issues of current discussions on the New World (Socio-) Economic Order.

2- This paper does not claim to add to the studies related to the latter topic. Our objective is much more modest. We want to examine in some detail the arguments made in connection with the planning of the external sector. Some economists call for promotion of exporting industries. Others call for an import-saving strategy. Whenever foreign capital is invited, foreign investors seem to prefer participation in import-substituting activities. This is a common feature of the majority of proposals made to Egypt following the launching of the open-door policy. As is well-known, Egyptian plans during the past two decades have claimed to be import-saving. The outcome seems to be exactly the opposite. This raises the question as to where the error lies: Is it in the principle itself or in its application.

3. Quite often, and even in Egypt at present, policies are propagated which are simultaneously import-saving and export-oriented. This implicitly assumes giving lower priority (if any) to activities which are neither. If so, we should better start at the outset by classifying economic activities in an exhaustive list to determine what we would be talking about.

4. It is clear that two basic classes have to be differentiated at the outset. The criterion is not new, since it has been already used by J. Tinbergen in his Semi-Input-Output approach; namely the tradability of output:

a) Non-tradable sectors, which include most infra-structural and services activities, and some commodity sectors of a primitive nature or a purely local quality. Construction and domestic investment fall within this class.

b) Tradable sectors, whose products possess a recognizable world market, or can - under certain conditions - enter the export - import trade of the country.

In this latter group four sub-categories can be differentiated:

i) Products which are currently export-oriented.

ii) Products which, according to present conditions, are met through importation.

iii) Goods and services which are so far satisfied by means of domestic production that could still be expanded if demand were sufficiently stimulated.

iv) Goods and services which do not receive significant demand at present, but may be entered deliberately in the list of demand. (For example, by reducing the relative price of bottled gas, a market for gas ovens was created, thus justifying their production).

It is clear that these categories are not sharply mutually - exclusive. However, different products may be classified under any one of them according to the relative importance of their major flows.

5. Thus a trade-oriented strategy (import-saving and/or export-promoting) means putting emphasis on categories (b-i) and/or (b-ii). It may be true that at times of acute foreign exchange shortage, it would be logical to subdue the other categories (b-iii) and (b-iv). In some cases, however, trade and price policies may help to move greater volumes of goods into them, calling for increased imports to the extent that they quickly move to category (b-ii). On the other hand, if the policies adopted do injustice to class (a), they may be eventually frustrated due to imbalances created through the bottlenecks interfering with the working of input-output relationships. This may lead to the creation of a state of affairs where the slackening of non-tradable sectors limits the effectiveness of the tradable ones. As this situation becomes more

critical, balance-of-payments difficulties call for further curtailment of investment in these sectors since they are not directly foreign exchange saving. They may be even considered as areas of inflationary expenditure, thus adding to those difficulties, at least in the short-run. This calls for a proper evaluation of trade-oriented strategies and determination of conditions necessary for their effectiveness.

6. While foreign-exchange shortages may be a common feature among several developing economies, their basic causes may differ widely. In general they may be considered as a manifestation of production - demand imbalances. But it does not necessarily follow that similar policy recommendations could be formulated without due regard to the origin of imbalances. Since the thirties economic thinking had been over-shadowed by the threats of deficiencies in effective demand. Developing countries, characterized by limited markets and low income levels, usually look for policy instruments that stimulate demand as a part of their developmental strategy. At the same time they try to expand their production capacities in order to support that demand by the incomes needed to make it effective, and to allow for a process of balanced growth. It is clear that a proper selection of policies requires a critical assessment of sources of imbalance. We shall differentiate between two cases: one of deficient demand and another of excessive demand, both in relation to existing production capacities. Having done that we can turn to an analysis of the implications of trade-oriented policies. Our findings will be brought to bearing on present conditions of the Egyptian economy.

II- The Case of Deficient Demand:

7. This case has recieved much attention since the Great Depression of the thirties. It arises as a result of the drop in (induced) effective demand below the level necessary to ensure full employment of all existing production capacities. This state is self-perpetuating if the prevailing demand conditions are projected in the future, since it frustrates new investments. This restricts present demand and diminishes the rate of growth of income, hence future demand. In spite of the existence of unutilized capacities, a foreign balance deficit may coincide. This may be due to a decline in the demand for exports, which directly affects the balance. But the differences between the structures of domestic demand (low as it is) and domestic production, may lead to increased imports while there exist idle capacities in production.

8. Such a state of affairs may arise as a result of a variety of reasons:

a) A change in conditions governing one or more of types of domestic demand, especially in conditions that are not directly affected by the current level of income.

b) A contraction of foreign demand on the country's exports.

c) Changes in relative prices between domestic and foreign markets. This may be due to a general fall in world prices, or to a rise in domestic costs hence prices relative to world prices.

d) Past erroneous investment decisions leading to production capacities in excess of what is warrented by actual determinants of demand at the prices reflecting the current cost structure.

e) Fall in induced demand following one of the previous causes due to the multiplier effect. This applies in particular to household consumption, which is mainly determined by income.

9. The logical solution out of such a situation is to deliberately manipulate demand. In fact, most policy recommendationsemphasize demand adjustments up and down as the most powerful tool for achieving desired changes in the level of economic activity. Four conditions have to be fulfilled in order to ensure effectiveness:

a) The initial impulse should be the least possible. This assumes choice of areas with maximum multiplier effects.

b) It has also to be financed out of resources which are not cut out of other uses, so as to avoid neutralizing effects. This is usually considered as a justification for "deficit financing" policies.

c) Further it should be directed towards products which are capable of being produced by means of existing under-utilized capacities. Otherwise it may lead to diversion of products from other utilizations, leading mainly to price increases for such products, and loosing most of its stimulating effects.

d) For the initial and derived waves of demand, leakages should be the least. At the aggregate level this means watching for the foreign trade multiplier components. However, a more detailed analysis should

be carried out to make appropriate choices of the sequence of demans which minimize total import leakages.

10. The most obvious line of action is through public current expenditure. Three types may be distinguished:

a) Creation of a "closed-circuit activity", i.e., of a class of production activities undertaken by the public administration to satisfy needs simultaneously created by it. Defence expenditures and some types of activities related to public works belong to this supply-demand group. The incomes thus created, and the ensuing demand for domestic inputs, hence further incomes would give the necessary impetus. The selection has to observe the above-mentioned conditions: inputs should come mainly out of those sectors which suffer from under-utilization of capacities; new incomes should go to recepients who direct them to domestic products rather than to imports; while finance of expenditures should not divert resources from other types of expenditure.

b) Provision of certain types of services at nominal cost or free. Consumers would be left with the equivalent of values of such services, hence become able to increase their demand for other products. The affected income classes should possess a low propensity to consume imported goods, in order to avoid leakages. However, this method is less flexible, since demand for such services lies outside public administration, and it would be difficult to curtail such activities whenever conditions call for that. Originally, the most important types of such services (e.g., education and

health) should be treated on the basis of fundamental social considerations, rather than temporary economic events.

c) Adoption of a vigorous subsidization policy. Subsidies may go to consumers either in the form of direct transfers, tax exemptions, or subsidies to certain consumers' goods. This would help to add to disposable income directed for other types of goods. In the case of price subsidies, demand for subsidized goods is liable to increase by an amount determined by price elasticity. As a corrective measure, they should lead to increased demand on domestic goods whose present or expected consumption is diminishing. Increased imports should be avoided, unless strong social considerations call for subsidizing them. Subsidies should then be determined so as to keep their relative prices at a level which does not lead to unwarranted increases in their consumption. On the other hand if subsidies are meant to readjust cost structures, they may be directed to certain producers to stimulate falling demand on their products, making them available to other producers at reasonable prices.

11. As mentioned before, the choice of the most appropriate policy or combination of policies from the above list, should be coupled with an assessment of three conditions:

a) Securing sources of finance which do not lead to contraction of other types of expenditure. If deficit is incurred, it is understood that future expansion of economic activity would help to increase government revenues, thus helping it to cover its deficit.

b) Stimulated demands are of types that can be immediately satisfied by existing production capacities. This assumes a certain degree of elasticity in production in the short run, which is ensured by the basic assumptions of the present case.

c) There exists a foreseen point in the future at which policies adopted can be gradually terminated leaving the economy going on its own momentum. Under conditions of comprehensive planning this means that planners are not obliged to continue using such instruments for the sole purpose of maintaining the required level of income.

12. An alternative policy would be to stimulate demand through increased investment expenditure. Under conditions of stagnated demand, the calculations of private investors fail to take the lead. The planner has to rely more on public investment, raising it by amounts necessary to maintain the overall rate of investment needed to realize the target rate of growth. The initial investment need not be used as a means of activating idle capacities, except in so far as it restores total investment. It is its multiplier effect which counts; and the value of the short-run multiplier would be sufficiently high if induced consumption expenditures brings more idle capacities into employment, and has a minimum impact on induced imports. Here again it is the high short-run production elasticity that counts. This presupposes that the available structure of production capacities conforms as much as possible with the structure of induced demand.

13- The main issue would be the proper choice of investments used as a stimulant. The fact that such investments are justified by reasons which are not immediately related to previously planned public investment programme, tends to orient them towards channels non-competing with further investment targets, either private or public. For economies which depend mainly on the private sector, this means that the government keeps at hand a programme of public works which is continuously adjusted according to the state of demand. In order to safeguard such a programme from being a mere waste of material resources to cover the creation of new incomes, the programme should have a bearing to the developmental activities.

14- In most developing countries, public investment plays a more fundamental role. Its planning should serve the growth process rather than act as a mere adjustment of future market conditions. Its activation and intensification may be considered in a coordinated form.

The main consideration that has to be observed is the resulting import content to avoid adding to balance-of-payment problems. In general, construction activities satisfy this condition. Further they are the main component of many non-tradable sectors, falling naturally within the sphere of public investments. They further have the advantage of improving the calculations of other investement opportunities. This justifies the creation of new capacities as a means of activitating the utilization of existing idle ones.

15. As subsidiary instruments, monetary policies may be considered. A lowering of the rate of interest can serve a variety of purposes all working in the same direction:

a) It stimulates the (private) investment drive.

b) It encourages consumers' credit hence final demand.

c) It reduces the cost of public borrowing.

d) It may also help to raise the propensity to consume through limiting the flow of savings.

The net result here is not likely to be high. On the other hand tax-wage-price policies have to be coordinated. The effects here should be assessed since the same set of policies may have a complex of positive and negative effects. They may help to reduce costs and prices thus stimulating demand. But at the same time they may adversely affect the flow of money incomes: Price and income effects have to be weighed against each other.

16. The other category which can be manipulated, is exports, i.e., foreign demand. This means that more products of (tradable) sectors suffering from slackening of (domestic and/or foreign) demand would be directed to exportation. Since conditions of demand are not under direct control of the planner, other means have to be used. In the case of existing capacities, limited freedom exists in the adaptation of products to the needs of foreign markets. The most significant means available are through price adjustments. Several cases can be distinguished. The

first is the case where domestic demand has fallen, thus leaving more room for exportation. It may be necessary to consider the costs of adapting production conditions to foreign market needs, and to restudy degrees of competitiveness. This may even call for some additional investments. There may arise a case for export subsidies. The total costs thus incurred should be compared with the benefits obtained from restored demand volumes. More will be said later about the full impact of expansion of export oriented activities.

17. The trouble may have originated in some export-oriented sectors, as a result of changes in world demand conditions. This may be due to:

a) Price factors; e.g., a fall in world prices relative to domestic prices. We have to differentiate between temporary changes and expected long-term trends. In the first case a stock-piling policy man be recommended on the basis of temporarily substituting this type of demand for immediate exportation, on the hope that drawing from stocks at a later date would be possible at a reasonable price which would cover extra costs involved and does not lead to increments in supply that would adversely affect prices. In the second, a revision of production conditions should be made, and reduction of costs and/or shifts in product mixes examined. Subsidies may not be recommendable unless they are meant to cover a limited period of adaptation. A shift towards domestic markets may solve the income problem in the short run, but it may at the same time help to maintain the adverse balance-of-payments situation.

b) Demand factors; e.g., the emergence of cheaper substitutes, especially as a result of technological research, or the increased competing supplies as a result of new investments in other parts of the world. The price aspect appears indirectly and the previous arguments would still hold.

c) General factors; largely a problem of the rate of exchange. Thus either as a result of an increasing level of domestic costs and prices, or of a general fall in the levels of world prices, a contraction of demand on domestic products may follow. Exports would fall since they become more expensive hence less competitive, while competitive imports would increase since they become relatively cheaper than domestic products. In both cases under-utilization of capacities would follow, affecting a wide range of domestic sectors. In such conditions devaluation may be the most recommendable measure, since it would restore the previous relationships between domestic and world prices, thus reactivating sectors working in exportation as well as in import-competing areas.

18. It is important to assess the worthiness of a devaluation policy, since it is frequently recommended whenever balance-of-payments appear, irrespective of the underlying causes and of the specific conditions of the given economies. The policy may be effective if there exists a high degree of elasticity in supply of domestic products in the short run. This presupposes the existence of idle capacities in both exporting and import-substituting sectors. It further assumes reasonable responses to prices both at home

and abroad, which would be the case if underutilization of capacities was caused by a change in price relationships. However, it should be noticed that a change in the exchange rate would affect all sectors undiscriminately. The conditions stated above may not be fullfilled and a general rise in domestic prices may follow.(*) In fact aggregative analysis fails to distinguish different categories of products, and at many points seems to assume complete substitutability between domestic production, exports and imports. As mentioned before non-tradable sectors have to be treated differently. For some tradable products, the absence of domestic capacities (or full utilization of what exists) makes their imports non-competitive for the short run. Even if capacities could be created, the gestation period has to be taken into account, and it will represent a period of zero production elasticity. As soon as devaluation takes place, all non-competitive imports increase in cost. It may be possible to cut their importation according to price elasticities, especially in so far as final consumption is concerned. But it would be difficult to produce a similar result with respect to capital and intermediate goods. This either enforces a rise in costs and prices, or a contraction of the size of activity of sectors using them as inputs. With the same money incomes, the total volume of consumers' demand has to go down far all types of goods and services. If consumers manage to secure rises in their many income rates, another source of domestic prices rise will be added. The result is that more domestic capacities will be put out of use, while

(*) See, M.M. El-Imam: Devaluation and Domestic Prices. I.N.P., Memo. 1157, August 1957

little happens to the deficit in the balance of payments.

19. The policy of creating new capacities as a means of activating existing idle ones, may lead to allocation of additional investments to exporting sectors. This means that initial demand is created through investment. Later on, sustained increases in income are achieved through the working of foreign demand and the effects of the export multiplier. This would help to bring available capacities to full employment, and to improve the economies of new capacities. In other words export-oriented sectors would play the role of leading sectors with respect to the process of growth. The point will be elaborated upon below.

III The Case of Excessive Demand:

20. A number of developing economies suffer from the failure of domestic capacities to satisfy the levels of demand at the corresponding income level, low as it is. The pressure on the foreign balance persists and reflects a state of excessive demand. If we try the previous line of thinking, it would seem that a possible solution is to manipulate a reduction in aggregate demand. This may be feasible in a relatively advanced economy. In a developing economy the situation is more complex. In neither case: however, the initial cut in demand could be recommended to occur in the exporting sectors, since this would aggravate the foreign deficit. A more logical solution would be to attempt a reduction in imports. This leads to

a consideration of types of domestic demand on imports.

21. Let us start again by current government expenditure. Generally speaking it is difficult to realize a significant reduction in this expenditure, without adverse socio-political effects:

a) Past committments keep the wage-bill, since it is not possible to reduce employment or wage rates. The assumption of full capacity utilization often implies a fast rate of growth of that bill to permit replenishment of job opportunities.

b) Defence expenditures are also difficult to curtail on purely economic grounds.

c) Subsidies may sound more logical to curtail; especially as this helps to reduce the volume of household expenditures. The trouble about this policy is that it implies a rise in prices at times when excessive demand is most likely to be accompanied by price rises (the inflationary stale.

22. Failing a significant reduction in current expenditure, the government may attempt diverting a part of money income out of circulation. This can be achieved by means of changes in tax policy. One possibility is to adopt a more restrictive customs policy. This would help to decfease the size of imports and improve the foreign balance. In order to avoid inflationary price effects, higher customs duties should be directed towards goods that neither form an essential part of intermediate demand, nor affect wage-goods. Normally, such goods belong to the luxury consumers goods category, hence possess relatively high elasticities. For intermediate income classes this may be quite true; but it may become less evident for those with higher (excessive) incomes. This means that the extra revenues will be of the right source but of a limited volume. Nevertheless the temptation of realizing larger revenues through imposing customs (and may be also excise) duties on more essential goods may deepen income disparities, and produce cost and price effects that should be avoided as mentioned above. It seems that it would be preferable that the excess purchasing power is absorped through more direct means, i.e., through a more egalitarian direct tax policy. The main feature of such excessive demand situation is the fact that even when initial doses of income increases occur in wage incomes (e.g.,through inflexible public expenditure) the final outcome is a profit inflation (e.g., the parasite or new income sources). This eventually adds to income disparities, and principles of

social peace would call for a direct treatment of this situation that has further the given undesirable consequences.In so far as such direct measures still leave excessive incomes, the above economic measures have to be used. However, in developing countries, and due to income disparities, the direct-taxation machinery is usually incapable of efficiently implementing such economic measures. A careful analysis of the given case is needed before any group of measures is recommended.

23- A still less convincing policy is curtailment of investment, which is the last category of domestic demand. The first instrument is a deliberate curtailment of public investments. Another instrument is the raising of the rate of interest. These measures may have a quick effect on both excess demand and on imports, especially as the import content of investments is usually much higher than other types of final demand. But such short-term effects soon vanish since a lower rate of investment means a slower increase in domestic capacities. On the other hand a reduction of the rate of public investment requires a change in the order of priorities. This usually means continuation of expenditure on replacements and on basic infrastructural activities and other non-tradable sectors. This means that the most seriously affected sectors would be the tradable sectors which are more capable of adding to domestic capacities and contributing to foreign trade. Further, if the cut in investment expenditures implies a thinner allocation over the same set of

ongoing projects, it would actually mean an elongation of gestation periods, and retardation of capacity startings.

24- The interest rate argument is more complex. A rise in the rate of interest need not ensure a larger flow from active to idle balances, or , a larger rate of savings. It may succeed in reshaping the flows of the latter, and in creating a state of mind among entrepreneurs affecting their expectations. The higher rate of interest may help to eliminate ventures with yield closer to the margin, and divert corresponding resources to bank deposits. While this may seem legitimate, it does not help reorient excess balances from speculative to more productive channels. The main feature of the excessive demand case accompanied by profit inflation is the tendency to move into quick high-yielding activities. Expectations of ascending prices encourage speculation especially in real estate, and practically sterilizes any rises in the rate of interest. The sharp rises in the capital values of real estate are a clear indicator of the distortion in the flow of resources from productive capacity — increasing opportunities either directly or indirectly through investing in interest-earning assets. At the same time, the higher (long-term) interest rates force up costs of finance of both capital utilizations and production needs, including the cost to the government and public business sectors, thus adding an additional burden without necessarily producing a positive effect. This adds to price rises, and penalizes basic public services. With a relatively big public sector, the net outcome is more likely to be a higher rate of borrowing.

25- Unable to generate the acceptable rate of saving out of the given (low) income, which ensures the adjustment of total demand to available capacities, the economy may resort to importation of foreign capital. We have already treated elsewhere*) the cases of loans and equity capital. Both studies have indicated the likelihood of negative long-term effects. Any positive gains require as a basic condition, a significant rise in the marginal rate of saving, which leads us back to the origin of the problem. This becomes more relevant whenever public savings (or dissavings) play a dominant role. There may arise relaxing feelings due to the ability of solving the short-term problems, thus putting lower premiums on strong measures to raise savings. We shall investigate the implications of foreign capital with respect to the expansion of tradable sectors later in this study.

26- In conclusion, the case of excessive demand, accompanied by a persistent deficit in the foreign current balance does not easily yield itself to economic measures adapted from those considered effective in the deficient demand case. The case may be even accompanied by instances of underutilization of certain domestic capacities. In attempts to adjust demand, there is no guarantee that demand cuts will be accompanied by equivalent cuts in imports. For a developing country this would mean a still lower level of income, more idle capacities, with little improvements in the balance of trade.

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*) M.M. El-Imam: Foreign loans and Economic Development, Memo. 779 (4 parts), I.N.P. 1967
M.M. El-Imam: The Role of Foreign Capital in Long-term Development. Memo. 1156, I.N.P. August 1976.

The discrepancy between the structure of equal declines in sources and uses means that the macro analysis is incapable of capturing all the relevant aspects of the adjustment process. For example an appreciable cut in government expenditure need not be reflected on the balance of goods and services in its entirety. The part which does not go directly to reduction of imports or to availing more goods for exports, can do so indirectly only if domestic capacities are put out of use. In the latter case, the indirect effect on imports is only a fraction of the fall in autonomous demand hence in income. This means that the realization of thd foreign balance objective can only be approached through a severe cut in domestic production. In other words the actual price of the adjustment process is a recession which would throw its shadows on the future, and add to the contraction of the already low income, and its potential growth rate. In attempting to avoid such untenable results, a shift in the deficit from the current balance of goods and services to the capital account through invitation of foreign capital may be recommended. This eventually means larger foreign participation in fixed capital formation, with possibly planning a higher, rather than a lower rate of investment. This requires an analysis of the full impact of projects having a bearing on foreign trade through saving imports or raising exports, which will be taken up in following sections. Even if we can achieve positive results with respect to the balance of goods and services, care should be taken of the impact on the balance of factor payments, hence national income. At the same time, needs to raise a surplus on the current account to face the claims of foreigners on the

capital account have to be taken into account. As will be shown later, the net impact on the current balance is generally quite marginal if not negative. This calls for seeking other measures.

27- As an illustration of the recessionary effects of demand cuts originally meant to reduce imports, let us consider a reduction of public investment by L.E. 300 million.*) Average input-output relations and propensities are used for illustrative purposes. Thus assuming that the foreign component in the above volume is 44.07%, we can summarize the direct and indirect effects as in Table (1)

Table (1) Direct and Indirect Effects of Investment

	Initial stage: Investment	Direct Inputs: Construction	Direct Inputs: Other Inputs	Indirect Inputs	Total
Imports: Investment Goods	101.7	-	-	-	101.7
Intermediate Goods	-	8.1	4.7	13.9	26.7
Services	6.9	1.2	0.7	2.2	11.0
Total	108.6	9.3	5.4	16.1	139.4
Customs Duties	23.6	1.2	0.6	2.2	27.6
Value Added	-	47.5	21.5	64.0	133.0
Domestic Inputs	167.8	55.5	26.8	48.9	299.0
Total Output	300.0	113.5	54.3	131.2	599.0

*) The example is drawn from an internal memo. (in Arabic) by the author in connection, with discussions of the 1977 budget: Ministry of Planning, Cairo, Memo. 34, 12 December 1976. A similar analysis is given there of the effects of a cut in consumers' subsidies.

The first column shows the breakdown of investment to its basic components. The domestic component is assumed to be composed of 113.5 construction and 54.3 other domestic goods. Both are broken down according to their production processes, giving further inputs (domestic and imported) and value added. The process of breaking down the new set of domestic inputs (55.5 + 26.8=82.3) gives a series totalling 131.2, and its component totals are shown in column (4). Adding the four columns, we obtain the total direct and indirect effects, which may be also obtained by means of the inverse matrix of technical coefficients as known in input output analysis. Evidently, this will decompose the original investment into its primary factors: imports of goods and services and value added at market prices (including customs duties). This involves a series of domestic inputs amounting to 299.0, besides the investment itself. Now, the identity:

Investment = Savings + Imports - Exports

shows that changes in both sides should be equal. Substituting from the above values, this means that effects would stop at this level if the whole reduction of value added at market prices is cut out of domestic savings. We have to trace the composition of that reduction. Again using average distribution factors we find that:

27.6	Customs duties
4.5	Excise duties (less subsidies)
19.4	Direct Taxes plus net transfers
51.5	Total reduction in government revenue

The remainder, 109-1, are factor shares:

60.7	Wage incomes, less net taxes
18.2	Distributed non-wage incomes, net of taxes
78.9	Factor shares directed to consumption
30.2	Retained gross incomes, net of taxes.

Thus this latter amount represents a reduction in gross savings. Since government current expenditure is assumed to remain unlatered, the reduction in government revenue represents dissaving also. Hence, we have to trace the distributed shares, assumed to have all of them gone to final consumption. The multiplier effect takes over now, and the series of effects may be traced in the same manner:

Table (2) - Direct and Indirect Effects of Initial Induced Change in Consumption

	Initial Induced Consumption	Inputs to Consumption		Total Effects
		Direct	Indirect	
Imports: Consumers'Goods	2.6	-	-	2.6
Intermediate Goods	-	7.7	5.4	13.1
Services	0	0.9	0.6	1.5
Total	2.6	8.6	6.0	17.2
Customs Duties	0.4	1.4	1.0	2.8
Value Added	-	34.6	24.3	58.9
Domestic Inputs	75.9	31.3	22.0	129.2
Total Output	78.9	75.9	53.3	208.1

The total effects add a further reduction in imports amounting to 17.2; but this involves at the same time another set of reductions in domestic production and G.D.P. at market prices (=2.8 + 58.9 = 61.7). This latter reduction calls for another drop in final consumption estimated as 34.9. The process is then repeated and it can be found that the resulting geometric series gives a multiplier value of 1.795. Applying this multiplier to Table (2), we obtain the direct and indirect changes in consumption, and their total effects. The results are summarized in Table (3) together with those of investment:

Table (3) Total Effects of Initial and Induced Demand Change

	Final Demand			Intermediate Demand		
	Investment	Consumption	Total	Investment	Consumption	Total
Imports:						
Investment Goods	101.7	-	101.7	-	-	101.7
Consumers' Goods	-	4.6	4.6	-	-	4.6
Intermediate Goods	-	-	-	26.7	23.5	50.2
Services	6.9	0.1	7.0	4.1	2.7	13.8
Total Imports	108.6	4.7	113.3	30.8	26.2	170.3
Customs Duties	23.6	0.7	24.3	4.0	4.3	32.6
Value Added	-	-	-	133.0	105.7	238.7
Domestic Inputs	167.8	136.2	304.0	131.2	95.7	530.9
Total Output	300.0	141.6	441.6	299.0	231.9	972.5

The final consumption drop is 141.6 (= 78.9X1.795), which reflects the low multiplier effect due to the relatively high values assumed for the shares of retained nonwage incomes and government direct revenues, giving the rather

low value, 0.59, of the marginal propensity to consume. Together with the high import content of investment, this accounts for the limited drop in G.D.P. Nevertheless, the original cut of 300.0 millions in investment led to an overall drop of about 57% or 170.3 millions in imports, while domestic products suffer a drop of 530.9 millions, which is 3.16 times the reduction of 167.8 due to investment. This leads to a fall of 441.6 in final demand, 47.2% more, due to induced cuts in final consumption. Assuming that none of the products released from domestic demand is shifted to exports, we find from the last column of Table (3) that the sources-uses identity holds:

G.D.P. + Imports = Final Consumption + Investment + Exports

Noticing that the flows represent changes measured at market prices, where G.D.P. = 32.6 + 238.7 = 271.3, then:

271.3 + 170.3 = 441.6 + 300.0 + 0.

If we also add to both sides intermediate demand, which is 299.0 + 231.9=530.9, we can replace G.D.P. by value of production at market prices 271.3 + 530.9 = 803.2, giving total sources and uses as 972.5, as seen from the last column of Table (3).

28. If the initial cut of expenditure occurs in an utilization which is of a low import content, the decline in G.D.P. will be larger, especially if a higher propensity to consume is assumed. For example, if the initial 300 m. were cut out of subsidies, no direct imports would be involved. Usually subsidies are adopted in case of necessities with low demand elasticities, If subsidized goods are imported, the decline in volume (i.e., value c.i.f.) is limited, but the more significant effect is the cut in other types of consumers' expenditure due to the contraction of the remainder of disposable income. Again the main effect will fall on domestic production, probably in a

more pronounced degree than in the previous case.*) The main difference is that the effect on future growth will be indirect and significantly smaller. However, if the products thus released are rechanneled for exportation, the fall in production, hence income will be much less. But some or all of the saving in intermediate goods would not take place. With a low substitution rate between domestic and imported goods, little can be done about readjustment in the short run, even if direct controls are used. The planner may find it necessary to live along with the deficit for a while, trying in the meantime to readjust the structure of production. The question is how best can this be achieved: through import-saving activities, or export-promoting ones. To this problem we now turn.

IV- Import-Saving Activities:

29- The planner usually finds in substitutes for imports an attraction: They seem to help in coping with the foreign deficit problem, while they provide enough information for estimating demand, and have a relatively sure market with room for control whenever necessary. Most project promoters tend to exaggerate the foreign exchange saving effects of projects belonging to this category. It is claimed that the saving is equal to the total value of production less the foreign component of costs of production. Foreign investors argue that they should have a claim on the country's earnings of foreign exchange to pay their dividends, since the country would have been obliged to allocate foreign exchange equal to the total value of production, and not only the fraction representing their share in value added. This argument is quite fallacious, and the fallacy can be proved as follows.

*) Ibid.

30- Let us start from the sources-uses identity: Domestic production + Imports = Final consumption + Investment + Exports + Intermediate consumption

The increase in production due to a given project is assumed to be equal to the decrease in imports, so the left-hand side would remain constant. However, intermediate consumption would rise by the value of production requirements of the project. Other types of demand are assumed to remain the same, with new products replacing old imports. To allow for that increase in uses, we have to raise domestic production by the value of domestic inputs, and imports by the value of foreign inputs. This restores the equality of the two sides, with imports decreased by the full value of production, and increased by the fraction of it representing foreign inputs. This means a net gain on the balance of goods and services. The same gain would of course appear on the balance of current transactions. But here we may have to allow for the transfer of the share of foreign factors, e.g., foreign capital. This is a fraction of gross value added. Thus, the debit side is a fraction of the credit side, and the country is left with a positive balance equal to domestic inputs plus the shares of domestic factors, mainly wage-income and revenues of domestic non-wage-earners. We may even impose another claim on the current balance, namely the foreign share on capital, which requires a surplus on current account to face the deficit on capital account which would occur when foreigners withdraw their capital (presumably at the end of the life-time of the project). This may be calculated by rules similar to those of depreciation allowances, based on the book-value principles. This again is a fraction of value added. As a matter of fact, we may apply the same

principle to the foreign component of investment, even if the whole project were financed out of national sources. The treatment would be similar to the case where the foreign component is financed by means of a loan, earning the long-term rate of interest and repaid in fixed instalments, over a period equal to the lifetime of the project starting after gestation.

31- This is the common argument, based on the balancing attribute of the sources-uses identity. But from a national point of view this is not an equilibrium situation. First of all it does not show how domestic inputs could be produced without any inputs to their production, whether domestic or imported. Second, the value of production implies the creation of new incomes. Such incomes induce additional amounts of demand. In so far as they are thus spent (on final consumption), they raise uses above sources. Unless new investments are put to expand production, or unutilized capacities exist, the extra demand is to be met by importation. In so far as extra incomes are saved, the right-hand side will not increase by the full amount of production. Indeed, savings may be put into new investments, but such would be an autonomous decision, not necessarily induced by the project. Hence whether idle capacities exist or not, the final induced foreign-exchange saving would be equal only to the savings out of the incomes created through the project. It is one thing to say that the project in itself has a given positive effect, and it is another thing to say that the economy can realize that effect without having to bear several losses of foreign exchange. This is the reason why economies over history witnessed parallel changes in exports and imports, with balances fluctuating around zero. If the project promoters' claims were true, one could eliminate importation by introducing more and more import-substituting projects, each of them

producing the fractions that have to be directly imported. There is still a case for negative net effect, even with positive savings. This arises in cases where the availability of domestic products puts a pressure on the markets to consume more of the product than what would have been imported, which is in fact the general case.

32- The above argument may be illustrated by a simple example. Consider a project whose basic figures are as follows (in thousands of pounds)

400 Capital composed of:
250 Domestic component
150 Foreign Component.

250 Annual production, requiring
105 Domestic inputs
45 Foreign inputs
40 Wage incomes
60 Non-wage incomes, including
15 Depreciation of demestic component
10 Depreciation of foreign component

If a foreign investor contributes the equivalent of the foreign component, this means an inflow of foreign exchange which has to be paid back later. For example if a fund is constituted for 15 years at 7%, this would mean putting aside 4% annually i.e., 6. The two flows should be equivalent, hence we can drop them from our calculations. But we have to take account of foreign investors' share in profits (net of taxes), say 10% or 15. To pay these dividends, the country has to allocate enough amounts out of its foreign exchange earnings for this purpose. This may be considered as induced final demand (exports) arrising from the project. Thus the direct effects of the project are 45 + 10 + 15 = 70. Deducted from the saving of 250, this means that the direct gain in foreign exchange is 180. This may be reduced by any increase in domestic demand on the project's products, over what could be demanded in case of

importation.

33- To estimate the full effects of the project, we have to consider the sources of supplying the needs of induced demand, as well as domestic inputs. This calls for an analysis of disposal of incomes. First, direct taxes (net) may be estimated at 17. The share of foreign investors had been seen to raise induced exports to 15. Besides depreciation allowances, we assume other savings = 3, giving gross savings as 28. Since depreciation of foreign component has to be provided for, we consider it as being utilized to finance an equivalent amount of exports. The remaining part of income goes to increase final consumption. Thus income is disposed of as follows:

55 Final consumption

10 Exports facing depreciation of foreign component

18 Other gross savings

17 Net direct taxes.

If profits are transfered to foreign investors, they would be deducted from disposable income, thus reducing consumption, but increasing export committments. This means, that induced final demand amounts to 65 in both cases. The remaining gross savings may be currently utilized to finance other investments; but such a decision is not induced and we need not consider its use as reducing the gains arising from the project. On the other hand the change in government revenue requires further analysis. Imports substituted for through the project may have been paying customs duties. Most likely the project products would not be yielding an equivalent amount of indirect taxes; they may even receive subsidies. If this happens the increase in government revenue due to direct taxes, may be reduced by any loss of indirect taxes. If, for simplicity, we consider

that the estimate, 17, represents net gain in government revenue, we have to classify the disposal of that amount. Government may use it to increase its current and/or investment expenditure. Both may be treated as autonomous hence need not be debited to the project itself. The first column of Table (4) summarizes the initial effects of the project, namely the effects on production, corresponding imports and induced demand, both intermediate and final. The results show that there will be an excess of uses over sources which has to be accounted for either from domestic production or imports.*) The first case is one of no idle capacities. Two alternatives are available. The first is to draw domestic inputs from alternative uses. This will have a negative effect which is the least if such uses are exports. For example more inputs of raw cotton mean less exports by the same amount. If, however, inputs were rechanneled from other production processes the loss is much greater, since this will stop a multiple of those inputs, depending on their ratio to the values of products reduced accordingly. To let other uses continue, we have to let them import requirements acquisitioned by the project. In the case of loss of exports we may consider this as equivalent to increase in imports. Thus assuming no idle capacities, the total of induced demand, whether domestic or foreign intermediate goods, or final demand, have to be imported. This is shown in the second, corrective, column of Table (4). The sum of the two columns given in the last column gives the final result which ensures balance between sources and uses.

*) Initially, available stocks may be used, thus raising induced demand. This has to be met out of domestic or import sources.

Table (4) Project Effects, No Idle Capacities

Sources and Uses	Initial Effects	Corrective Effects	Total Effects
Domestic Production	+ 250	-	+ 250
Imports	- 250	+ 215	- 35
Total Sources	0	+ 215	+ 215
Corresponding Value Added	+ 100	-	+ 100
Intermediate demand:			
-Domestic Inputs	+ 105	-	+ 105
- Foreign Inputs	+ 45	-	+ 45
Final Demand	+ 65	-	+ 65
Total Uses	+ 215	-	+ 215
Excess Uses Over Sources	+ 215	- 215	0

34- Let us relax the above assumption a little and assume that direct domestic inputs could be produced. This may be done by means of available idle capacities, or through investing in the creation of such capacities. Such additional capacities are in fact of the same nature, i.e., import substituting, and may be created simultaneously with the project. Otherwise the need for them would make itself evident after the frustration of hopes to curtail imports according to the arguments put forward in justifying the project. Now the production of domestic inputs will mean further domestic production activities leading to new induced demand, as shown in the second column of Table (5). There still remains a discrepancy between sources and

uses, and if no further capacities exist, correction has to be made out of imports. It is evident from the last column that the actual reduction in imports would be equal to the sum of savings in both stages of production.

Table (5) Project Effects, Available Direct Inputs

Sources and Uses	Initial Effects	Direct Inputs	Corrective Effects	Total Effects
Domestic Production	+ 250	+ 105	-	+ 355
Imports	- 250	+ 45	+ 163	- 42
Total Sources	0	+ 150	+ 163	+ 313
Value Added	+ 100	+ 47	-	+ 147
Intermediate:				
Domestic	+ 105	+ 45	-	+ 150
Foreign	+ 45	+ 13	-	+ 58
Final Demand	+ 65	+ 40	-	+ 105
Total Uses	+ 215	+ 98	-	+ 313
Excess of Uses	+ 215	- 52	- 163	0

The production of direct inputs yields additional value added 47, out of which 15% or about 7 is saved. This is added to the original 35 to account for the difference between total domestic production and total induced uses or between total value added and induced final demand. A more realistic situation may be somewhere between the two cases. Some domestic inputs have to be produced because they belong to the nontradable category (e.g., electricity, trade and transport). But the main conclusion remains true: savings

defined in the indicated manner constitute actual foreign exchange saving. If induced demand on goods replacing imports exceeds substituted imports, this saving will be accordingly reduced, and may even become negative. All will depend on the ability to raise the rate of saving, and on the additional burden imposed by foreign capital.

35- The example shows that import-substitution may start anywhere in the economy. But it leads to a series of new imports, and the final outcome may be zero or negative especially if we allow for the utilization of savings and government revenue. We may continue tracing the production needs, by estimating the series of indirect inputs, assuming again availability of sufficient capacities. But we still maintain the assumption of absence of capacities required for induced demand. We keep the first two columns as in Table (5) but add a new column for all indirect inputs as in Table (3) for example. This column indicates the extra production needed to put on the market the direct inputs, 45, and the sumtotal of their direct and indirect inputs. Further it records the imports of foreign direct inputs, 13, and the following series of imported inputs. The series of production of inputs raises additional value added = 37, which is the difference between direct domestic inputs, 45, and the indirect imported inputs, 8. Induced final demand is then increased by a fraction, 31 say, of the additional value added. This is supplied through imports, given within the corrective item of the fourth column, Table (6).

Table (6) Project Effects; Available Direct and Indirect Inputs

Sources and Uses	Initial Effects	Direct Inputs	Indirect Inputs	Corrective Effects	Total Effects
Domestic Production	+ 250	+ 105	+ 84	-	+ 439
Imports	- 250	+ 45	+ 21	+ 136	- 48
Total Sources	0	+ 150	+ 105	+ 136	+ 391
Value Added	+ 100	+ 47	+ 37	-	+ 184
Intermediate:					
- Domestic	+ 105	+ 45	+ 39	-	+ 189
- Foreign	+ 45	+ 13	+ 8	-	+ 66
Final Demand	+ 65	+ 40	+ 31	-	+ 136
Total Uses	+ 215	+ 98	+ 78	-	+ 391
Excess of Uses	+ 215	- 52	- 27	- 136	0

The meaning of the last column is as follows;

a) The saving of 250 of imports has first to be reduced by (45 + 21 = 66) as direct and indirect imported inputs, giving 184.

b) This leaves the economy with the same amount as value added (direct and indirect).

c) Account has to be made of depreciation of foreign component (direct and indirect) as well as of net dividends to foreign investors.

d) Adding to the latter item induced consumption, we obtain final demand induced by the project, 136. Since we have allowed capacities only for all types of intermediate demand, we have to account for final demand through further imports. This is the value of the corrective item in this case.

e) Total induced demand leaves a saving of 48 which represents the final saving of foreign exchange induced by the project. It has been shown that this should be reduced if savings (especially of public administration) were lower, and /or demand for project's products higher than substituted imports.

This casts a good deal of doubt on the import-saving nature of import-substitution projects.

V- Export - Promoting Activities:

36- The previous calculations apply with some modification to export-oriented projects. It may be noticed, however, that whereas comparison of production and imports may be made at the level of producers' prices, here we have to base calculations on users' prices. Products directed towards exportation have to pass through trading channels (including banking and internal and external transport). For example, if trade margins were 10%, the production of the project itself would be around 225, the remaining 25 would be produced within the distribution sectors.

The induced inputs and final demand may be calculated as in the first columns of Tables (4) - (6). However, there will be another increase in final demand, namely the exports due to the project, 250. This means that both sources and uses would be higher than before by 250, which means that the excess of uses over sources will remain as before. Hence further adjustments follow the same pattern and lead to the same results.

Table (7) Project Effects, No Idle Capacities

	Initial Effects	Secondary Effects	Corrective Effects	Total Effects
Domestic Production	+ 225	+ 25	-	+ 250
Imports	-	-	+ 215	+ 215
Total Sources	+ 225	+ 25	+ 215	+ 465
Value added	+ 82	+ 18	-	+ 100
Intermediate				
- Domestic	+ 100	+ 5	-	+ 105
- Foreign	+ 43	+ 2	-	+ 45
Final Demand				
- New Exports	-	+ 250	-	+ 250
- Induced	+ 54	+ 11	-	+ 65
Total Uses	+ 197	+ 268	-	+ 465
Excess of Uses	- 28	+ 243	- 215	0

This table compares with table (4) with the second column added to separate trade margins from the production process. The totals of components were assumed to be as before to avoid differences between project structures.

The foreign exchange savings is the difference between new exports and total additional imports: 250-215 = 35 as before. Similarly for other cases.

37- The above argument means that the two types of projects could be identical in their effects. Differences can arise as a result of differences in project structures. We have to look for features that make one type generally more beneficial than the other:

a) The market-stimulation effect is pronounced in import-replacing project; while it may be completely absent in export-oriented ones. This would help maintain a higher savings ratio in the latter case. This is clear in rural-urban cases, where cash crops are "exported" from rural areas without affecting demand except in the secondary stage of income utilization.

b) Import-substituting projects have to be fitted to the size of the domestic market which is generally quite limited. In general exports have a wider market, and projects can easily be constructed according to economic considerations.

c) The import-substitution process implies the extension of activities over a variety of products, leaving smaller chances to gain and improve technological knowledge so long as domestic markets are limited. In the case of exports, concentration of activities makes it more economical to allocate relatively smaller resources for quality improvements, i.e., a proportionately less expenditure on this type of overheads. For example,

the mass production of cotton made it possible for Egypt to allocate sufficient resources to quality improvement.

d) The last argument is an item within the general category of economies of scale. This has great implications with respect to a variety of related activities (external economies) including specialization in trade activities, economies of education and training, steadiness of employment, power generation, etc.

e) Generally speaking export-oriented activities are more resource-based than demand-based. This gives the planner a larger opportunity to ensure higher efficiency of resource utilization. In the demand-oriented activities, the choices are between alternative technologies and comparative benefits judged in relation to resource availabilities. This may ensure the economy of using resources in the given activities; but need not ensure the best utilization of resources in the large. For example, with the expansion of demand on popular types of textiles, more high quality cotton had to be consumed in the import-saving textiles industry. An alternative process, recently introduced is to direct that cotton to a more economic use, namely exports, and import more appropriate, hence cheaper, qualities.

f) Projects designed to replace imports, initially go for final consumption needs. While the final consumer is the least knowledgable about the technological specifications, he is at the same time the least stable in demand. With the rapid changes in a consumption—minded culture dominated by technological

races in affluent economies, stability of markets is always diminishing. Unless strong measures, costly to the developing economy (customs barriers, subsidies, etc.) are taken, home produced goods may suffer greatly, and social dissatisfaction may cumulate.

g) In secondary stages, as shown before, initial demand-oriented activities would have raised imports of new types: of intermediate and capital goods categories. Derived demands will be fractional but cover wide ranges of goods. This raises difficulties in discovering new areas giving enough justification for new import-substituting projects with sufficient markets to make them economic The specialization made possible (though not necessary) by export-oriented activity can create enough markets for feeding industries. Specialization in these latter may even make it possible to direct a part of their output to exportation (e.g., the case of Netherlands).

h) Competition in the world economy usually forces domestic activities to watch efficiency requirements. This condition can be easily relaxed in activities directed to the local markets, thus leading to significant waste of resources and to persistence of low productivity hence wage rates.

i) However, since the planner possesses a smaller degree of control on demand for exports, economic activity may not be able to escape the short-term and secular changes in world markets. But, this applies also to imported goods, the demand for which becomes less elastic when they shift from final to intermediate uses. The problem calls for a careful analysis of patterns of terms of trade.

j) In this respect it may be noticed that export-oriented activities may occur at any degree of manufacturing. This enables the choice of degrees suitable for stabilization of markets. For example oil-producing countries may export raw oil. But they may also go in refining and petrochemical products and export semi-manufactured goods or final products. It is true that advanced manufacturing stages yield more income. But they may become inflexible. Thus if a fair price of crude oil could be obtained, it may be preferable to oil-products. By a fair price is meant the share which leaves the later stages with a margin covering cost including normal profits. If market conditions change, the flow of crude oil could be adjusted. For oil-products such adjustments become less controllable.

k) The import-substitution principle usually accepts the present structure of demand and its expected evolution in the near future. To ensure a fairly rapid growth of activities selected according to this principle, the planner may find it necessary to give priority to products with a high potential of expansion of demand. This may actually tend to favour those products which possess higher income elasticities which are luxurious or semi-luxurious. The production of essentials may be needed, but it will be difficult through them to achieve higher rates of growth. This may be one of the major factors giving industrialization more glamour over, e.g., agricultural development. The result would be, however, the deepening of elements and causes of mal-distribution of income, and distroting the structures and patterns of the levels of living.

V- Conclusions:

38- This essay was concerned with the assessment of economic policies contemplated in developing economies. The cases treated assume an economy with low income and difficulties in the balance of payments. The low level of income could, nevertheless, be accompanied by different levels of effective demand. Rather than calling them the deflationary and inflationary cases, we simply called them the states of deficient and excessive demand, to concentrate attention on the demand aspects. On the other hand since the foreign balance is involved, we have subdivided domestic sectors according to their position in foreign trade, into tradable and non-tradable sectors. The argument had also to consider the state of utilization of domestic capacities. Even in cases of excessive demand and importation, there may still exist underutilized capacities. This shows the need to supplement macro analysis usually carried in connection with policy formulation, by structural analysis.

39- Generally speaking, policy instruments can be classified as:

a) adjusting demand; or,
b) adjusting production.

It is expected that demand adjustments may prove capable of producing results in the shorter runs. They have received great attention in equilibrium analysis pertinent to free-market economies, especially since the Great Depression, and under the leadership of Keynes who frankly claimed that in the long run we are all dead. But developing

economies have to face squarely the problems of the longer runs, especially changes in production structures. It is here, and as a result of the attention paid to the foreign sector, that export-oriented and import-replacing strategies have to be evaluated.

40- Starting with the demand adjustment approach, we considered instruments of affecting various categories of demand and their implications with respect to "induced" types of demand, basically private consumption. The differentiation between the original levels of demand (deficient or excessive) enabled us to see that the issue is not automatically solved by reversing directions of instruments. It has been also found out that the case of excessive demand (which characterizes the current situation of suppressed and open inflations) raises more difficulties. For example, the effects of the changes in the rate of interest become more complex. The curtailment of public current expenditure is difficult to achieve, while the decrease in investment demand has long-run damaging effects. Devaluation, which is generally considered as a tool for closing the foreign gap, was found to have a possibility of success in the deficient demand case. In the excessive demand case, the policy has long been shown to be self-defeating. We refer here to the quotation given in the preface from Harrod.

41- The most important feature is the depressing effect on domestic production of policies designed to correct the foreign balance situation. Even when underutilized capacities exist, there is no guarantee that they are going to be put back to use through such policies. Further, attempts to curtail excessive

demand are more likely to have a larger effect on domestic production rather than imports. Thus it is found that a given reduction of investment would cut down imports by about 57% of its value, but the drop in home production is about 267%, involving a 90% drop in G.D.P. A similar argument could be developed for a reduction in subsidies, even if they were responsible for expanded importation, being imposed on imported essentials. Dangers of recessionary effects are real, and call for reconsidering the demand structure rather than the total demand level. This means that what is needed is not a mere curtailment in some accessible demand items, but rather a treatment of the reasons which helped to create excessiveness in demand that was manifested in expanded imports.

42- This invites consideration of policies intending to restructure production, essentially through the pattern of investment. No attempt is made to analyze alternative strategies in general. Two strategies relating to the foreign sector were considered, namely import-substitution and export-promotion. Many economists express their worries about the latter, and the possibilities it creates of subjecting national decisions to external forces governing foreign demand and world prices. They believe that an import-replacing can create a a more stable market and accept more direct controls. Before going into this, we had to see the amount of truth of arguments made at the project level, namely that the saving in foreign exchange is equal to the project's output discounted by an amount equal to direct import contents. Even when indirect importation is allowed for, we have found out that the statement is erroneous, since it is based on a formal balance rather than a more basic equilibrium.

Our analysis and numerical examples point to the same conclusion: The actual saving in foreign exchange is equal to the amount being saved out of the incomes generated, directly and indirectly; as a result of the project itself and of the series of induced demands created consequently. The same result is reached for both types of projects; hence the tille "import - saving myth". Some dozen considerations were given to support the export - promotion strategy. It was also evident that the import-substitution policy is more likely than not to produce a negative saving effect. In other words, it feeds rather than subdues the excessive demand situation; and fails to solve the balance - of - payments deficit over the longer run. If it were true, one country, at least, in the world could have done away with imports altogether!

(١٠) المنتجات التصديرية يمكن أن تكون عند أى درجة من التصنيع وبذا تتسم بمرونة اكبر ، اذ انها قد تقف عند حد المواد الاولية او الوسيطة ولا تعنى استراتيجية استهلاكية بالضرورة .

(١١) تقوم الصناعات للسوق المحلى بقبول هيكل الطلب الحالى بالمتوقع ، وبالتالى فهى تحابى السلع ذات المرونة العالية للاطمئنان الى امكان تحقيق معدلات نمو عالية ، لذا نجد أن الشكوى تثور من أنها تبتعد عن الحاجات الاساسية التى يحدث نتيجة الرغبة فى الحد من الاستيراد تقييد لها ، مما يثير قضايا اجتماعية عديدة .

(٤) نتيجة التركيز يستطيع المخطط تحديد الصناعات المغذية بصورة أفضل وتحسين اقتصاديات أنشطة التعليم والتدريب والقوى المحركة ... الخ وضمان استقرار العمالة .

(٥) تبنى الانشطة الحالة محل الواردات على جانب الطلب ، وبالتالى فان كفاءة استخدام الموارد تراعى عن طريق اختيار الاسلوب الانتاجى المناسب بينما تنتقى الانشطة التصديرية وفقا لمتطلبات الاستخدام الامثل للموارد المحلية بصفة عامة وبالتالى فهى اكثر قدرة على تحقيق كفاءة استخدام الموارد .

(٦) تبدأ الصناعات للسوق المحلى عادة من الطلب الاستهلاكى النهائى ، وهو أكثر تقلبا من الطلب الصناعى لتأثره بالاذواق . بينما يمكن توجيه الصادرات لمنتجات مستقرة المواصفات .

(٧) جزء من الاثار المباشرة يقوم على الصناعات المغذية وجزء آخر على الطلب النهائى المشتق . ويؤدى التخصص والتركيز فى الصناعات التصديرية الى بلورة الطلب على المنتجات المغذية بصورة أدق نوعا وكما بشكل يفضل الطلب المتولد من صناعات منتشرة على نطاق واسع .

(٨) يؤدى تعرض المنتجات التصديرية للمنافسة العالمية الى التأكيد على كفاءة الانتاج بينما يحدث تساهل فى هذا الجانب بالنسبة للمنتجات للاستخدام المحلى خاصة حيث تشتد الدعوى لتعضيد وحماية الصناعة المحلية الناشئة .

(٩) قد يكون التصدير خاضعا لتحركات السوق العالمية بعيدا عن متناول المخطط ومع ذلك فان الاستيراد للمستلزمات هو الاخر يعانى من نفس الظاهرة ويصبح اقل مرونة بقيام الصناعات المحلية الامر الذى يقتضى تحليل نسب التبادل وتطوراتها بعناية .

وفى أى الاحوال فان العلاقات الاجمالية لا تستطيع أن تعطى الاجابة الصحيحة بل يقتضى الامر مقارنة الطاقات الانتاجية المتاحة بهيكل الطلب الناجم عن المشروع • وتعطى الحسابات المبينة النتيجة التى تتحقق فى الاجل القصير ، وهذه يمكن ان تتعدل فى الاجل الطويل بتوجيه الاستثمارات نحو انتاج المستلزمات الوسيطة ، اى باحلال محل الواردات ومع ذلك تبقى القاعدة الاساسية سارية • والواقع انه لوصح ان العمل على احلال الانتاج المحلى محل الواردات يؤدى الى تقليص مستمر فى حجمها لاستطاع ولو اقتصاد واحد ان يخفض حجم استيراده الى ما يقرب من العدم ، وهذا وضع ينفيه الواقع •

١٥ — من هنا كان الادعاء بخرافة الاستعاضة عن الواردات • ومع ذلك فان تشابه النتائج الحسابية يثير التساؤل حول المفاضلة بين الاستراتيجيتين • ويشير المنطق الى العديد من العوامل التى تشير كلها الى أفضلية استراتيجية التوسع فى الصادرات نلخصها فيما يلى :

(١) المشروعات التى تحل محل الواردات تؤدى عادة الى تغذية الطلب المحلى فوق ما كان يمكن استيراده ربما بقدر يفوق المدخرات الاضافية ولذلك يمكن ان تنتهى بخسارة فعلية فى النقد الاجنبى ، بعكس الحال فى المشروعات التصديرية •

(٢) يبدو حجم السوق كمحدد نظرا لان كثيرا من المشروعات المتطورة تفوق فى الحجم امكانيات السوق المحدود ، الامر الذى يختلف فى سلع التصدير •

(٣) تسمح الصناعات التصديرية بالتركيز والتخصص وبالتالى تحقيق الوفورات الداخلية والخارجية ، بينما الصناعات الحالة محل الواردات تنتشر بطبيعتها ولا يستطيع معظمها تحقيق تلك الوفورات •

العالم الخارجي وبالتالي يحد من فرص اخضاعها للضغوط الاقتصادية والسياسية .
ويدرك انصار هذه المدرسة ان الدخول في أنشطة جديدة يتطلب فترة قبل الوصول الى مرحلة الانتاج الكفء من حيث النوعية والتكاليف . ويجري تبرير هذه الاستراتيجية على مستوى المشروع بالادعاء بأن ناتجه يحل محل الواردات بما ينقص العجز بهذا القدر مستبعدا منه المستلزمات المستوردة . وعلى أقصى تقدير يؤخذ في الاعتبار المستلزمات المباشرة وغير المباشرة . غير ان القول بأن هذا الاثر ينتقل بأكمله الى المستوى القومي فيه قدر كبير من الخطأ .
فقد اجرينا تتبعا لاثار المشروع من حيث مدى توفر المستلزمات المحلية المباشرة ثم غير المباشرة وفقا لما هو معلوم من تحليل سلسلة الاثار المترتبة على علاقات المدخلات والمخرجات ، ثم ما يترتب على الدخول المتولدة من طلب استهلاكي تبعي . وتشير الحسابات انه ايا كانت الفروض حول الطاقات العاطلة المتاحة في المراحل المختلفة ، فان الوفر الكلي في العملات الاجنبية يعادل مقدار ما يدخر من سلسلة الدخول المتولدة . هذا اذا لم يفترض ان هذه المدخرات تستتبع استثمارات يترتب عليها هي الاخرى واردات اضافية .

١٤ — الاسلوب البديل هو توجيه الاستثمار الى الانشطة الموجهة الى التصدير باعتبار انها تزيد من حصيلة العملات الاجنبية ، على ان يستبعد في هذه الحالة ايضا المستلزمات المستوردة ، المباشرة وغير المباشرة . غير ان تتبع الاثار بنفس الاسلوب يقودنا الى نتيجة مماثلة ، بمعنى أن الوفر النهائي في العملات الاجنبية يعادل المدخرات من سلسلة الدخول المترتبة على المشروع . والفارق الاساسي بين الحالتين هو المجموع الكلي لكل من الواردات والصادرات ونسبتهما الى الناتج المحلي ، التي تكون أعلى في هذه الحالة عنها في الحالة السابقة .

اسهامها فى الانتاج • كذلك فانه من المهم تلبية احتياجات القطاعات غير التبادلية الاساسية ومراعاة متطلبات الاحلال • وبالتالى فان معظم الاستثمارات التى تتعرض للانكماش هى الاستثمارات الانتاجية التبادلية الامر الذى يزيد من مشكلة العجز الجارى مستقبلا ومن جهة أخرى فان الالتجاء الى رفع سعر الفائدة يمكن أن يحدث مجموعة من الاثار السلبية خاصة بالنسبة للاعباء الحكومية دون أن يرتفع الى القدر الكافى لمواجهة اتجاهات المضاربة التى تصحب الضغوط التضخمية •

١٢ — فاذا وجد المخطط ان الادوات التقليدية محدودة الاثر فان عليه أن يبحث عن حلول اكثر فاعلية • ومن هذه الحلول التحكم المباشر فى انواع الطلب الفائض وفى مصادره ، عن طريق مجموعة من القيود المناسبة بما فى ذلك القيود على التعامل الخارجى • ومع ذلك فانه يبقى جانب من العجز فى الميزان الخارجى يلتزم تمويله بموارد اجنبية سواء فى شكل قروض أجنبية أو رأسمال أجنبى • وقد سبق لنا أن أوضحنا فى دراسات سابقة ان مثل هذا الاسلوب لا يساعد على حل المشكلة فى الاجل الطويل على عكس ما هو معتقد ، خاصة اذا لم يصحب ذلك محاولات جادة لرفع الميل للادخار • ومن جهة أخرى فان الموارد الاجنبية تستقدم عادة وفقا لمنهاج الاستثمار ، الامر الذى يقتضى تحديد أولويات الاستثمار بما يحقق انشاء قدرة مستقبلة على السداد ، اى التحول من عجز الى فائض • ويقودنا هذا الى المجموعة الاخرى من السياسات التى تعنى بتعديل هيكل الانتاج •

١٣ — تنادى مدرسة فكرية بأن الدول النامية يجب أن تسعى الى توجيه استثماراتها الى أنشطة تحل محل الواردات مستندة فى ذلك الى أن منتجات هذه الانشطة لها طلب محلى معلوم يمكن التحكم فيه ، كما ان انتاجها محليا يقلل من الاعتماد على

المنتجات المحلية الاخرى ، بما يزيد من الطاقات المعطلة . فالسلع المعانة تكون عادة هي السلع الاجرية الضرورية ذات المرونة المنخفضة . ويعني هذا أن جزءا كبيرا من الدخل التصرفي النقدي يتحول من أنواع اخرى من الانفاق بما يكون وقعه اكبر على الاجور عنه على الدخول غير الاجرية التي تتسبب عادة في الافراط في الطلب غير المرغوب . ونفس القول ينطبق على الخدمات المجانية خاصة اذا كانت لها مبررات اجتماعية ومتطلبات انمائية قوية . لذلك فان التفكير يمكن ان يتجه الى فرض ضرائب غير مباشرة على السلع الكمالية لا سيما المستوردة منها . فاذا ثبت ان ارتفاع مرونة الطلب على هذه السلع يسرع من التحول عنها الى سلع أخرى فان هذا يعني بقاء الدخول الاضافية قادرة على تغذية الطلب الزائد . وقد يكون من الافضل اللجوء الى ضرائب مباشرة اكثر عدالة غير ان هذا يقتضي رفع كفاءة الجهاز الضريبي الامر الذي يتعذر ضمانه في معظم الدول النامية .

١١ — وقد يكون من الممكن عمليا احداث أثر مناسب في الاجل القصير بخفض حجم الاستثمار ، خاصة الاستثمار العام . غير أن الحسابات التي أجريناها (بند ٢٧) تشير الى أنه على الرغم من ارتفاع المكون الاجنبي في الاستثمار فان خفض حجم الاستثمار لا يتجاوز أثره ٥٧٪ من قيمته على الواردات المباشرة وغير المباشرة بينما يحدث خفض كلي في الانتاج المحلي يصل الى ٢٦٧٪ بما يؤدي الى خفض الناتج المحلي بحوالي ٩٠٪ ، وقد يتجاوز الانخفاض هذا الحد اذا ما أدى انخفاض الايرادات الحكومية الى احداث انكماش في الطلب الجاري . غير أن الاخطر من ذلك ان خفض الاستثمار يخضع لشروط قد لا يتيسر مراعاتها . فمن غير المقبول احداث تباطؤ عام يعطل معظم المشاريع ويؤجل

٩ — تشير التجارب الاخيرة الى أن حالة انواط الطلب قد بدأت تسود خاصة نتيجة للتضخم العالمى • ويصحب هذه الحالة عادة تفاقم فى العجز الخارجى خاصة اذا ما أدت ارتفاعات الاسعار المحلية مع ثبات سعر الصرف الى تغيير الاسعار المحلية بالنسبة الى الاسعار العالمية ومع ذلك فان هذه الحالة يمكن ان يصحبها تعطل فى الطاقات المحلية قد يتزايد اذا ما دخل الاقتصاد فى تضخم سعرى متزايد • وقد يكون لدى الدول المتقدمة المبررات الكافية لاستخدام مجموعة السياسات السابقة مأخوذة فى الاتجاه العكسى • غير أن الموقف فى دول نامية يكون أكثر تعقيدا • على أنه فى اى من الحالتين لا ينتظر ان يحدث تغيير فى الحد من الطلب عن طريق خفض الصادرات ، بل يقضى منطق الامور ان يجرى تخفيض للواردات عن طريق الحد من الانواع الاخرى للطلب • وهنا نلاحظ ان خفض سعر الصرف سوف يكون له الاثار العكسية المشار اليها بعاليه ، اذ من المعلوم فى الدراسات الاقتصادية ان هذه الاداة لا تصلح فى الظروف التضخمية •

١٠ — وعلى العكس من محاولات دفع الطلب الحكومى الجارى ، قد تنشأ صعوبات عديدة فى وجه خفض هذا الطلب ، خاصة اذا كان هذا الخفض سوف يترتب عليه تخفيض الاجور المدفوعة ، لا سيما ان الطلب الاجرى يذهب معظمه الى منتجات محلية الامر الذى قد يحدث تأثيرا عكسيا على الانتاج المحلى بدلا من الواردات • كذلك فان من الصعب احداث تخفيض فى الاعانات دون ظهور آثار اجتماعية سلبية خاصة اذا حدث التخفيض فى وقت تتجه فيه الاسعار الى الارتفاع بسبب حالة الانواط السائدة فى الطلب • حتى اذا كانت الاعانات ممنوحة أصلا فى نطاق سلع مستوردة فان الاثر المباشر وهو الحد من الاستيراد قد يفوقه حجما خفض الطلب على

احداث طلب محلى محل الخارجى) لكى يجرى السحب منه مستقبلا مع أخذ تكاليف هذا الاسلوب فى الاعتبار • أما اذا كانت التغيرات السعرية أبعد أجلا فأن الامر قد يقتضى اعادة النظر فى هيكل التكاليف بما يؤدى الى تعديل قائمة المنتجات أو دعم الصناعة بالاعانات • ومن جهة أخرى فان شيوع الظاهرة السعرية بين العديد من الصادرات قد يجنب تخفيض سعر الصرف • ويلاحظ هنا أن هذه السياسة يمكن أن تحقق أهدافها فى هذه الحالة التى يترتب على عدم ملاءمة سعر الصرف فيها انكماش الطلب الخارجى على الصادرات وزيادة الاستيراد على حساب المنتجات المحلية بحيث يصحب العجز فى الميزان الخارجى تعطل فى قطاعات التصدير وغيرها من القطاعات التبادلية • ذلك ان تخفيض سعر الصرف يساعد على زيادة التصدير وعلى زيادة منافسة المنتجات المحلية للاستيراد فتنشط الصناعات المحلية مباشرة دون انتظار لخلق طاقات جديدة يستغرق انشاؤها زمنا ترتفع خلاله الاسعار المحلية وتزداد حدة المشكلة • اما اذا كان انكماش الطلب على التصدير راجعا الى تغيرات فى التكنولوجيا فى الخارج ادى الى تخفيض منحنى الطلب، فان الامر يقتضى اعادة دراسة اقتصاديات الانتاج المحلى وتوجيه الاستثمارات الجديدة الى مجالات أخرى • ولن يكون للسياسات النقدية (بما فى ذلك سعر الصرف) أثر بعيد المدى ، حيث ان الخلل فى هذه الحالة له طابع هيكلى • ولعل هذا كان من اهم الدروس المستفادة من تجربة دولة كانجلترا سعت الى الخروج من مشاكل ميزان المدفوعات وانخفاض الصادرات الراجع الى حدة منافسة التكنولوجيا الاجنبية لمنتجاتها بتحريك سعر الصرف ، فانتهى بها الامر الى ارتفاعات مستمرة فى اسعارها الداخلية جعلت سياسة تخفيض سعر الصرف فيها أداة للتضخم بدلا من أن تكون ادارة لمكافحته (على حد قول هارود) •

الرجوع عنه مستقبلا ، كما أن الاعانات التى تمنح سواء للمنتجين أو المستهلكين سريعا ما تأخذ شكل الحقوق المكتسبة التى يصعب العدول عنها عند زوال مسبباتهـــا . على ان الظاهرة المشتركه هى أنه بينما يسهل تحديد هيكل الطلب المبدئى ، فانـــه من الصعب التحكم فى الطلب التبعى ، الذى قد يذهب جانب هام منه لزيادة حـدة عجز الميزان الخارجى .

٧ — النوع الاخر الذى يمكن دفع الطلب عن طريقه هو الاستثمار . فمن الممكن زيادة حجم الاستثمار العام لتتولد عنه دخول اضافية تزيد من حجم الطلب التبعى . ويقتضى هـذا الحرص فى اختيار فروع الاستثمار نظرا لان الاستثمار بوجه عام من اكثر القطاعات اعتمـادا على الاستيراد كما يجب ضمان توجيه الطلب التبعى الى تشغيل اكبر قدر ممكن مـــن الطاقات المحلية المتاحه . كذلك من الممكن استخدام أدوات السياسه النقدية للتاثير على الاستثمار الخاص ، ولو فى حدود ضيقة . ويأتى سعر الفائده فى مقدمه هـــذه الأدوات . غير انه نظرا لان الاستثمار يؤدى الى خلق طاقات انتاجيه مستقبله فـــان الاعتبارات السابقه لا تعطى معايير مطلقه ، والا كان معناها نقل المشكله الى المستقبل حينما تنشأ الطاقات الجديده فيظهر ضعف الطلب على منتجاتها ، وبالتالى تبقـــى مشكلات الطاقات العاطلة وعجز الميزان الخارجى .

٨ — ويؤدى وجود طاقات عاطلة فى قطاعات التصدير الى اعطاء تشغيلها اولوية حيث أن هذا يعنى فى نفس الوقت سدا لجانب من عجز الميزان الخارجى . غير انه نظرا لان محـددات الطلب على الصادرات تقع خارج نطاق سيطرة المخطط ، فان الامر يقتضى تحليـــل العوامل التى أدت الى تعطل تلك الطاقات بادئ ذى بدء . فاذا كانت تلك العوامـل سعرية ذات طبيعة مؤقته ، فانه يمكن فى بعض الاحوال احداث تراكم فى المخزون (أى

وربما السياسية أيضا • غير أن المشكله فى الدول النامية لا تقف عند حد دفع الطلب الى المعدلات التى تتوافق مع مستويات الانتاج التى تحققها الطاقات المتاحه (والتى يكون بعضها متعطلا) والتى تمكن من تحسين مستويات الدخل ومعدلات نموه مستقبلا • بل أنها تتعدى ذلك الى ضرورة تصحيح هيكل الطلب بما يساعد على تحسين استخدام الطاقات الانتاجيه المتعطلة ، وفى نفس الوقت على سد الثغرة القائمه فى الميزان الخارجى • كذلك فان الامر يقتضى ان تكون الدفعه الاضافيه الاولى للطلب اقل ما يمكن حتى لا تثير صعوبات فى ايجاد مصادر تمويل لها • وفى نفس الوقت يجب ان تكون باقصى فاعلية ممكنة سواء من حيث ما يترتب عليها من آثار بالنسبة للحجم الكلى للطلب الاضافى وهيكله •

٦ — باستعراض انواع الطلب النهائى المختلفه نجد ان اقربها الى المنطق الانفاق الحكومى الجارى سواء على ما يمكن تسميته " منتجات الدائرة المغلقة " اى السلع والخدمات التى تنتجها الاجهزة الحكوميه ثم تستخدمها ضمن قائمة الاستهلاك الجماعى (مثل بعض انواع الانفاق العسكرى والاشغال العامه) ، أو التى تحل محل منتجات كان يجرى التعامل فيها عن طريق السوق لكى تقدم مجانا أو بمقابل رمزى (مثل بعض الخدمات الاساسية كالتعليم والصحه) ، أو فى شكل اعانات لسلع بما يخفض سعرها للمستخدم فيزداد الطلب عليها وتبقى فى نفس الوقت فضلة نقدية توجه الى الانفاق على سلع أخرى • فبالنسبة للنوع الاول يراعى مصادر التمويل لطلب مبدئى يتولد عنه وعن الطلب التبعى المترتب عليه تحسين استخدام الطاقات المعطله مع تقليص الزيادة التى تصحبه فى الطلب على الواردات بقدر الامكان • ونظريا فان هذا النوع اكثر مرونه من غيره حيث تتحكم الاجهزة الادارية فى جانبى الطلب والعرض وتستطيع تغييرهما معا فى نفس الاتجاه • اما النوعان الآخران فهما اقل مرونه لان تقديم خدمات بالمجان يصعب

اليه تنبرجن فى مقال له من أن حل مشكلة ميزان المدفوعات هو الوجه الآخر لمنهج احداث ما أسماه بالعملية المثلى للنمو • من الواضح ان تحديد هذه العملية لا يخرج الى كافة الدول — بغض النظر عن الزمان والمكان — بحل أوحد • ولابد لنا من أن نعالج قطاعات الاقتصاد المحلى من حيث موقفها من التبادل الدولى بنفس المنطق الذى عالجها به تنبرجن ذاته حيث يجرى تقسيمها الى قطاعات تبادلية وأخرى غير تبادلية • فالاخيره تشمل قطاعات البنيان الارتكازى وجانبا كبيرا من قطاعات الخدمات • وبعض القطاعات السلعيه البدائية وذات الطبيعة المحلية البحته ، وكذلك قطاعات التشييد — والقطاعات المحلية المتعلقة بالاستثمار • اما القطاعات التبادلية فهى تلك التى تدخل منتجاتها فى التبادل الدولى أو التى يمكن اذا توفرت شروط معينه ان تظهر ضمن صادرات وواردات الدولة • وهنا يمكن التمييز بين أربع فئات :—

أ — المنتجات التى يتم فعلا توجيهها الى التصدير •

ب — المنتجات التى يقوم الاقتصاد حاليا باستيرادها •

جـ — السلع والخدمات التى يجرى مواجهتها من الانتاج المحلى ، والتى قد يلزم استيرادها اذا تزايد الطلب عليها مستقبلا •

د — السلع والخدمات التى لا يوجد طلب يذكر عليها فى الوقت الحاضر ، ولكن يمكن ان يخلق طلب اكبر عليها (مثلا تخفيض سعر البوتاجاز أدى الى تكوين طلب على مواقد البوتاجاز أدى للاكثار من استيرادها) •

٥ — ولعل اكثر السياسات التى حظيت بالعناية هى التى تتعلق بتعديل جانب الطلب فى مواجهة حدوث قصور فيه ، خاصه وانها كانت تعتبر من أخطر المواقف التى تواجه الاقتصادات المتقدمه والتى تثير امامها العديد من المشاكل الاقتصاديه والاجتماعية

ومن المعلوم ان التركيز على جانب الطلب من الصفات المميزة لاقتصاديات الأجل القصير ، خاصة بعد ان لقى هذا الجانب اهتماما كبيرا بعد أزمة الثلاثينات وعلى يد كينز ومن تبعه من الاقتصاديين . ولعلنا نذكر صيحته المشهورة بأن الجميع فى الاجل الطويل الى زوال . ومن جهة أخرى فان للانتاج صفة الاجل القصير وصفة الأجل الطويل التى تلعب دورا بارزا فى اقتصاديات التنمية .

٣ — واذا كان للقطاع الخارجى وزنه الكبير فى اقتصاديات التوازن قصير الاجل وتتعدد فيه ادوات السياسة الاقتصاديه المخصصه لتصحيح موازين المدفوعات ، والتى جعلت من صندوق النقد الدولى مؤسسه ذات شأن حينما كانت الاصوات العاليه فيه هى المعنيه بشئون الاجل القصير وهى الدول المتقدمه التى تطبق نظام السوق والتى كانت تعتقد انها بمأمن من مشاكل النمو بعيد المدى بما فيها العجز المزمن فى ميزان المدفوعات ، فان لذلك القطاع اهميته الكبرى بالنسبه للدول الناميه التى عانت وتعانى من مشاكل الاجلين . ولذلك فان استراتيجية التنمية تتضمن عادة فصلا خاصا بالقطاع الخارجى ، وينعكس مضمونه على كيفية تطوير القطاعات المحليه بما يحقق اقصى دفعه للتنمية من العجز الذى يتحقق فى الميزان الخارجى فى الاجل المتوسط ، ويوفر ضمانات معالجة ذلك العجز على المدى الطويل . وتتفاوت الآراء حول كيفية تحقيق ذلك : اما بتشجيع الصادرات أو بالاستعاضه عن الواردات . وكثيرا ما يغلب الاتجاهان معا فى وقت واحد ، ويصحبان ما يسمى بالنمو المتوازن واحكام استغلال الطاقات المعطلة . وتتعاقب الخطط وتتأرجح بينها الاولويات وتقصر المنجزات عن التطلعات .

٤ — فاذا كان الامر كذلك فان السؤال يمكن ان يثار حول ما اذا كان هذا الجمع بين المناهج المتباينه يعنى فعلا تفاوتا فى الاولويات بين القطاعات المحليه ، وهل نذهب الى ما ذهب

حول خرافة الاستعاضة عن الواردات

دراسة فى السياسات الاقتصادية مع التركيز على القطاع الخارجى

دكتور / محمد محمود الامام

(تلخيص)

١ ـ تعنى هذه الدراسة بمناقشة السياسات الاقتصادية التى يجرى التفكير فيها فى المجتمعات النامية التى تعانى من انخفاض مستوى الدخل فيها وتشكو فى نفس الوقت من وجود عجز فى ميزانها الخارجى • واذا كان دخل الدول النامية يتميز بصفة عامة بالانخفاض ، فانه يمكن رغم ذلك التمييز بين حالتين يتفاوت فيهما حجم الطلب المصاحب لذلك الدخل هما حالتى قصور الطلب وافراط الطلب • وهاتان الحالتان تصاحبان عادة حالتى الانكماش والتضخم وان كان الفارق بين النوعين قائم • ومن جهة أخرى فايا كان مستوى الطلب ومستوى الدخل فان هناك دائما امكانية وجود طاقات انتاجية محلية متعطلة كثيرا ما تؤرق المخططين وتجعل من الاولويات شبه الثابتة المطالبة بتشغيلها • وبالتالى فان السياسات التى تقترح يجب أن تأخذ فى اعتبارها هذا العامل وتتفادى على أقل تقدير ـ التسبب فى مزيد من تعطل الطاقات •

٢ ـ الصفة الاخرى للحالات التى تعنينا هى كما ذكرنا وجود عجز فى الميزان الخارجى ولذلك فان السياسات التى نعالجها اما أن توجه بالاساس الى الاقتصاد المحلى وتراعى متطلبات القطاع الخارجى ، أو تبدأ من هذا الاخير وتأخذ فى اعتبارها القطاعات المحلية • وبوجه عام فانه يمكن التمييز بين نوعين من السياسات :

ـ سياسات تعنى بتصحيح جانب الطلب •

ـ وسياسات تتجه الى تقويم جانب الانتاج •

جمهورية مصر العربية

معهد التخطيط القومي

مذكرة رقم (١٢٠٦)

حول خرافة الاستعاضة عن الواردات
دراسة فى السياسات الاقتصادية مع التركيز على القطاع الخارجى

(تلخيص)

دكتور / محمد محمود الامام

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