



**AgEcon** SEARCH

RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

*No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.*

# AGRICULTURE AND GOVERNMENTS IN AN INTERDEPENDENT WORLD

PROCEEDINGS  
OF THE  
TWENTIETH  
INTERNATIONAL CONFERENCE  
OF AGRICULTURAL ECONOMISTS

*Held at Buenos Aires, Argentina*  
24–31 August 1988

Edited by  
Allen Maunder, Agricultural Economics Unit, Queen Elizabeth House  
University of Oxford, England  
and  
Alberto Valdés, International Food Policy Research Institute  
Washington DC, USA

INTERNATIONAL ASSOCIATION OF  
AGRICULTURAL ECONOMISTS  
QUEEN ELIZABETH HOUSE  
UNIVERSITY OF OXFORD

1989

Dartmouth

© The International Association of Agricultural Economists, 1990  
All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior permission of Dartmouth Publishing Company.

Published by  
Dartmouth Publishing Company  
Gower House  
Croft Road  
Aldershot  
Hants GU11 3HR  
England

Gower Publishing Company  
Old Post Road  
Brookfield  
Vermont 05036  
USA

### **British Library Cataloguing in Publication Data**

International Conference of Agricultural Economists  
(20th; 1988; Buenos Aires, Argentina)  
Agriculture and governments in an interdependent world: proceedings of the twentieth international conference of agricultural economists, held at Buenos Aires, Argentina, 24–31 August, 1988.  
1. Agricultural industries. Policies of governments. Economic aspects  
I. Title II. Maunder, Allen III. Valdés, Alberto.  
IV. International Association of Agricultural Economists  
338. 1'8

ISBN 1 85521 000 2

Printed in Great Britain by  
Billing & Sons Ltd, Worcester

## CONTENTS

Preface	xi
<i>Michel Petit</i>	
Introduction	
<i>Allen Maunder and Alberto Valdés</i>	xiii
OPENING SESSION	
Elmhirst Memorial Lecture: Community, market and state	3
<i>Yujiro Hayami</i>	
Presidential Address	15
<i>Michel Petit</i>	
SECTION I – DETERMINANTS OF AGRICULTURAL GROWTH AND ITS RELATIONSHIP TO WORLD DEVELOPMENT	
Agricultural growth and world developments	31
<i>Yair Mundlak</i>	
Agricultural growth, its determinants, and their relationship to world development: an overview	47
<i>Uma Lele and John W. Mellor</i>	
Out-migration from agriculture and time allocation within farm households	63
<i>Yuko Arayama</i>	
Human capital and agricultural productivity change	78
<i>Robert E. Evenson</i>	
Von Thünen’s model of the dual economy	96
<i>Marc Nerlove</i>	
Development of agricultural core commodity terms-of-trade and their impact on economic growth in selected third world countries	110
<i>Martin L. Kimmig and Anita R. Stilz</i>	

Agriculture and growth: the experience of Argentina, 1913–84 <i>Domingo Cavallo</i>	122
Agricultural growth in the EC and the effect of the CAP <i>Cornelis L.J. van der Meer</i>	140
Section summary <i>Yair Mundlak</i>	156
<b>SECTION II – POLITICAL ECONOMY OF AGRICULTURAL POLICIES</b>	
Introduction	161
Some preliminary findings from the World Bank’s project on the political economy of agricultural pricing <i>Anne O. Krueger</i>	162
Agricultural protection growth in advanced and newly industrialized countries <i>Kym Anderson and Rod Tyers</i>	175
The political economy of agricultural policy in Asia: the case of Indonesia <i>Richard R. Barichello</i>	189
The political economy of agriculture in Africa <i>P. Anyang’ Nyong’o</i>	206
Determinants of the US wheat producer support price <i>Harald von Witzke</i>	219
The political economy of agricultural policy reform in Latin America <i>Odin Knudsen</i>	231
Alternative approaches to the political economy of agricultural policies: convergence of analytics, divergence of implications <i>Alain de Janvry and Elisabeth Sadoulet</i>	243
Endogenizing policy in models of agricultural markets <i>Gordon C. Rausser and Harry de Gorter</i>	259
Section summary <i>Kym Anderson</i>	274

## SECTION III – MULTILATERAL TRADE NEGOTIATIONS AND AGRICULTURAL TRADE

Introduction	279
Generalized versus preferential tariff reduction: a note on the welfare implications <i>Giovanni Anania</i>	280
Cross-commodity trade effects of agricultural policies: some implications for the GATT <i>Don McClatchy and Sean Cahill</i>	293
Agriculture in the GATT: past and future <i>T.K. Warley</i>	304
Agriculture, the Uruguay Round and developing countries <i>Ammar Siamwalla</i>	320
Current status and prospects for agriculture in the Uruguay Round <i>Paavo T. Mäkinen</i>	333
Measuring levels of protection in agriculture: a survey of approaches and results <i>Tim Josling and Stefan Tangermann</i>	343
Recent studies of agricultural trade liberalization <i>Bruce Gardner</i>	361
The CMEA countries and world trade in food and agricultural products <i>Csaba Csáki</i>	380
Section summary <i>Stefan Tangermann</i>	396

## SECTION IV – POLICY REFORMS IN THE MARKET/CENTRALLY-PLANNED/LDC ECONOMIES

Introduction	399
Agricultural policy reforms in New Zealand, 1984 <i>Ralph Lattimore, Bruce Ross and Ron Sandrey</i>	401
Policy reforms and agricultural response: the case of Chile <i>Pablo Barahona and Jorge Quiroz</i>	415

Agricultural policy reforms in South Korea: motivations, features and effects <i>Pal-Yong Moon</i>	430
The economic reform in agriculture in the USSR <i>Victor Nazarenko</i>	444
The household responsibility system in China's rural reform <i>Justin Yifu Lin</i>	453
Target prices in the United States: a reform that failed the political test <i>D. Gale Johnson</i>	466
The reforming of the agricultural policy in Poland <i>Augustyn Wos</i>	484
Soviet agriculture in the 1980s: recent reforms and effects <i>Karl-Eugen Wädekin</i>	499
Section summary <i>D. Gale Johnson</i>	515
<b>SECTION V – MACROECONOMIC LINKAGES AND AGRICULTURE</b>	
Real exchange rates, real interest rates and agriculture <i>Richard H. Snape</i>	519
Macro linkages and agriculture: the United States experience <i>G. Edward Schuh</i>	533
Domestic beef price stabilization in a beef exporting country: Uruguay 1961–86 <i>Lovell S. Jarvis and Maria del Rosario Medero</i>	542
Modelling the removal of production incentive distortions in the US agricultural sector <i>Maureen Kilkenny and Sherman Robinson</i>	553
Macroeconomic linkages and agriculture: the African experience <i>T. Ademola Oyejide</i>	567
The impact of trade and macroeconomic policies on the performance of agriculture in Latin America <i>Jorge Garcia Garcia</i>	580

Agricultural incentives and macroeconomic linkages in Asia <i>Romeo M. Bautista</i>	597
Section summary <i>Domingo Cavallo</i>	610
SECTION VI WHITHER COMMODITY MARKETS?	
Introduction	613
Agricultural outlook for the year 2000: some alternatives <i>Vernon O. Roningen, Praveen M. Dixit and Ralph Seeley</i>	615
The long-run outlook for agricultural commodity markets <i>Takamasa Akiyama and Donald O. Mitchell</i>	627
Agricultural market outlook and sensitivity to macroeconomic, productivity and policy changes <i>S.R. Johnson, William H. Meyers, Patrick Westhoff and Abner Womack</i>	649
A discussion of long-term agricultural commodity forecasts <i>Karl D. Meilke and Bruno Larue</i>	662
The outlook for trade in agricultural commodities <i>Montague J. Lord</i>	672
The impact of new technology on foodgrain productivity to the next century <i>Jock R. Anderson and Robert W. Herdt</i>	683
National interests in international commodity agreements: a theoretical framework and quantitative results for the export quota scheme in coffee <i>Roland Herrmann</i>	697
Section summary <i>Ronald Duncan</i>	711
SECTION VII – LAND MARKETS, LAND PRICES AND AGRARIAN STRUCTURE	
Introduction	715
The behaviour of land prices and land rents in Brazil <i>Antonio Salazar P. Brandão and Gervásio Castro de Rezende</i>	717



Agrarian change, farm size, tenancy and land fragmentation in India's semi-arid tropics <i>T.S. Walker, R.P. Singh and V. Ballabh</i>	728
What are the prospects for land reform? <i>Hans P. Binswanger and Miranda Elgin</i>	739
US land prices: trends and determinants <i>Richard E. Just and John A. Miranowski</i>	755
The implications of land registration and titling in Thailand <i>Gershon Feder</i>	771
Land tenure in Sub-Saharan Africa <i>Raymond Noronha</i>	782
Section summary <i>Hans P. Binswanger</i>	800
 SECTION VIII – FINANCIAL CRISIS AND AGRICULTURE	
Argentine interactions between the adjustment programme and the agricultural sector <i>Lucio G. Reca and Carlos J. Garramon</i>	805
The role of agriculture in the structural adjustment process of Brazil <i>Guilherme Dias</i>	822
Coping with the agricultural financial crisis in the industrialized countries: the case of the EC <i>David Harvey</i>	832
US agriculture's odyssey of the eighties <i>Mark Drabenstott and Alan Barkema</i>	852
Section summary <i>Lucio Reca</i>	869
SYNOPTIC VIEW	873
<i>John W. Longworth – President Elect</i>	
INDEX	880