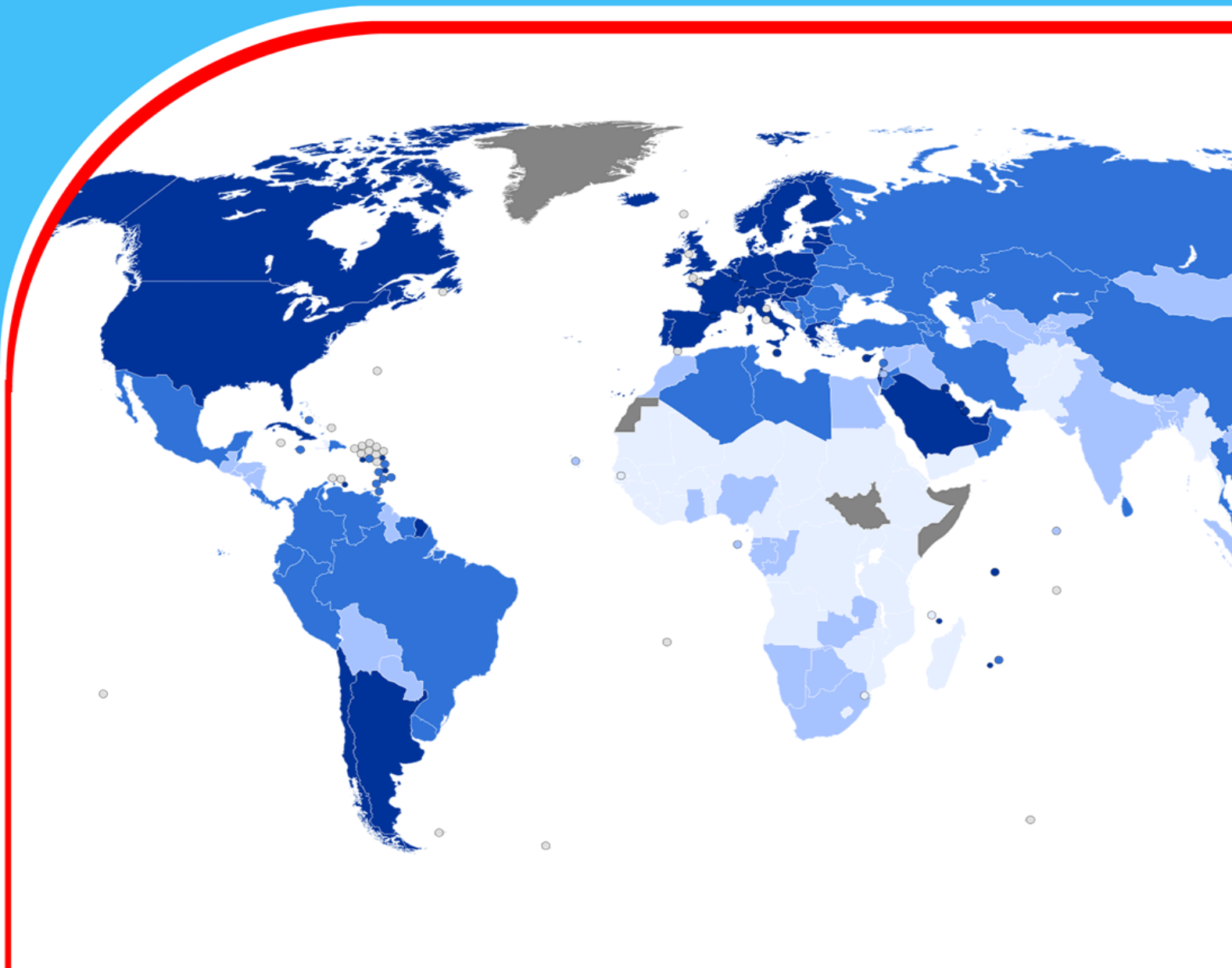


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**Trade Liberalization and Agricultural Sector in Korea**

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## Trade Liberalization and Agricultural Sector in Korea

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### Abstract

**Purpose:** The aim of the study was to assess the trade liberalization and agricultural sector in Korea.

**Methodology:** This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low cost advantage as compared to a field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

**Findings:** Trade liberalization, characterized by the reduction or elimination of tariffs and other barriers to international trade, has had significant impacts on the agricultural sector. Numerous studies have explored these effects, revealing both positive and negative outcomes. On the positive side, trade liberalization often leads to increased market access for agricultural products, allowing farmers to expand their consumer base and potentially achieve higher profits. Moreover, exposure to international competition can drive efficiency improvements within the

agricultural sector, encouraging innovation and technological advancements. However, trade liberalization can also pose challenges for farmers, particularly those in developing countries who may struggle to compete with highly subsidized agricultural sectors in wealthier nations. Additionally, increased import competition can threaten the livelihoods of small-scale farmers and exacerbate income inequality within rural communities.

**Implications to Theory, Practice and Policy:** Heckscher-ohlin theory, new trade theory and institutional theory may be use to anchor future studies on assessing the trade liberalization and agricultural sector in Korea. Encourage the adoption of sustainable agriculture practices among smallholder farmers through capacity-building initiatives, extension services, and incentives. Develop targeted support mechanisms for vulnerable agricultural communities, including smallholder farmers, women, and marginalized groups.

**Keywords:** *Trade, Liberalization, Agricultural Sector*

## INTRODUCTION

Trade liberalization refers to the removal or reduction of barriers to international trade, such as tariffs, quotas, and subsidies, with the aim of promoting freer exchange of goods and services across borders. When applied to the agricultural sector, trade liberalization involves opening up markets for agricultural products to foreign competition and facilitating the movement of these products between countries. This can have significant implications for both domestic and international agricultural industries. Proponents argue that trade liberalization can lead to increased efficiency, innovation, and access to new markets, fostering economic growth and development. However, critics raise concerns about its potential negative impact on small-scale farmers, rural communities, and food security, as well as its contribution to environmental degradation and loss of biodiversity.

In developed economies like the United States, agricultural sector performance indicators reflect a combination of technological advancements, policy influences, and market dynamics. Crop yield, a key indicator, has seen steady growth due to innovations in seed technology, irrigation methods, and precision farming techniques. For instance, between 2000 and 2019, the average corn yield in the US increased from 132.5 to 167.5 bushels per acre, indicating significant productivity gains (USDA, 2020). Additionally, the agricultural GDP contribution remains substantial, albeit with fluctuations influenced by factors such as commodity prices and trade policies. In the US, agriculture contributed around \$132.8 billion to the GDP in 2020, demonstrating its continued significance to the economy (USDA ERS, 2021).

Similarly, in Japan, agricultural performance indicators reflect a unique blend of traditional practices and modernization efforts. Despite challenges such as limited arable land and an aging farming population, Japan has pursued agricultural innovations to enhance productivity. For example, advancements in greenhouse technology and hydroponics have enabled year-round cultivation and increased yields for certain crops like tomatoes and lettuce. Additionally, the agricultural GDP contribution in Japan has remained relatively stable, supported by government subsidies and efforts to promote domestic agriculture. According to government data, the agricultural sector contributed approximately 1.1% to Japan's GDP in 2020, underscoring its role in the country's economy (Ministry of Agriculture, Forestry and Fisheries of Japan, 2021).

Moving to developing economies, such as those in sub-Saharan Africa, agricultural performance indicators often exhibit greater variability influenced by factors like climate variability, limited access to resources, and infrastructure challenges. Despite these hurdles, there are instances of notable progress and potential for growth. For example, in Ethiopia, agricultural GDP has shown resilience and growth, driven by government initiatives to promote smallholder farming and improve market access. Between 2010 and 2019, Ethiopia's agricultural GDP grew at an average annual rate of 5.8%, reflecting the sector's importance and potential for economic development (FAO, 2020). Similarly, in Nigeria, crop yields have seen improvements in certain regions with the adoption of modern farming practices and increased access to inputs. However, overall agricultural productivity remains constrained by issues like land tenure systems and inadequate infrastructure (Adegbola & Agbonlahor, 2017).

In developing economies across regions like sub-Saharan Africa, agricultural performance indicators often reflect the dual challenges of subsistence farming and the push for commercialization. Despite the prevalence of smallholder farming, there are efforts to enhance

productivity and modernize the sector. For instance, in Kenya, initiatives such as the National Agricultural and Rural Inclusive Growth Project (NARIGP) have aimed to increase agricultural productivity and improve market access for small-scale farmers. As a result, between 2010 and 2019, Kenya saw an average annual growth rate of 4.8% in agricultural GDP, demonstrating progress towards economic development (World Bank, 2020). Similarly, in Ghana, the government's flagship program, planting for Food and Jobs (PFJ), has contributed to increased crop yields and reduced food imports. This initiative has bolstered the agricultural sector's resilience and its contribution to the country's GDP, which stood at 19.3% in 2019 (Ministry of Food and Agriculture - Ghana, 2020).

In other developing regions like Southeast Asia, agricultural performance indicators exhibit a mix of traditional practices and modernization efforts. For instance, in Vietnam, agriculture remains a significant contributor to the economy, with rice production as a key focus. Despite challenges like land degradation and climate change impacts, Vietnam has made strides in increasing crop yields through the adoption of improved varieties and sustainable farming practices. Between 2000 and 2019, Vietnam's rice yield grew from 4.4 to 6.3 tons per hectare, reflecting advancements in agricultural productivity (General Statistics Office of Vietnam, 2020). Similarly, in Indonesia, the government has prioritized agricultural development through initiatives such as the Food Estate Program, aimed at boosting food self-sufficiency and rural livelihoods. While progress has been made, challenges like land use conflicts and environmental sustainability remain critical issues in Indonesia's agricultural sector (Ministry of Agriculture - Indonesia, 2021).

In other regions of developing economies, such as Latin America, agricultural performance indicators showcase diverse agricultural landscapes and varying levels of development. For example, in Brazil, agriculture plays a significant role in the economy, with the country being a major producer and exporter of commodities like soybeans, sugarcane, and coffee. Between 2000 and 2019, Brazil's agricultural GDP exhibited strong growth, driven by expansion in cultivated areas and increases in productivity through technological advancements. This growth has contributed to Brazil's emergence as a global agricultural powerhouse, with the sector accounting for approximately 21% of the country's GDP in recent years (Brazilian Institute of Geography and Statistics, 2020). Similarly, in Colombia, efforts to diversify agricultural production and promote value-added crops have led to improvements in productivity and competitiveness. The Colombian government's focus on agricultural modernization and rural development has contributed to sustained growth in the sector, with agriculture contributing around 6% to the country's GDP in recent years (Ministry of Agriculture and Rural Development - Colombia, 2021).

In regions such as the Middle East and North Africa (MENA), agricultural performance indicators are influenced by factors such as water scarcity, land degradation, and political instability. Countries in this region face challenges in achieving food security and sustaining agricultural growth. However, there are pockets of progress and initiatives aimed at addressing these challenges. For instance, in Morocco, the government has implemented policies to promote sustainable agriculture and improve rural livelihoods. The National Agricultural Strategy (2010-2020) focused on enhancing productivity, conserving natural resources, and fostering inclusive growth. Despite these efforts, Morocco's agricultural sector remains vulnerable to climate change impacts and water scarcity (Ministry of Agriculture, Fisheries, Rural Development, Water and Forests - Morocco, 2020). Similarly, in Egypt, the government has prioritized agricultural development as part of its economic reform agenda. Initiatives such as the National Agricultural

Development Plan (2017-2030) aim to increase productivity, improve market access, and enhance agricultural sustainability. However, challenges such as land fragmentation and limited access to finance continue to hinder the sector's growth potential (Ministry of Agriculture and Land Reclamation - Egypt, 2019).

In South Asia, agricultural performance indicators reflect a mix of traditional farming practices and efforts towards modernization. In India, agriculture remains a vital sector employing a significant portion of the population, despite its declining contribution to GDP. The Green Revolution in the 1960s led to significant increases in crop yields, particularly for wheat and rice, but challenges such as land fragmentation and water scarcity persist. The government has implemented various initiatives like the National Agriculture Market (eNAM) and the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) to improve market access and enhance water management. However, there is still a need for further investments in infrastructure and technology to sustainably boost agricultural productivity (Srivastava et al., 2019).

In Eastern Europe, agricultural performance indicators have been shaped by the transition from centrally planned to market-based economies. Countries like Ukraine, known as the "breadbasket of Europe," have vast agricultural potential but face challenges such as land ownership issues and infrastructure constraints. Despite these challenges, Ukraine has emerged as a major exporter of grains and oilseeds, leveraging its fertile land and relatively low production costs. The government has introduced reforms to attract investment and improve the business climate in agriculture. However, political instability and geopolitical tensions in the region pose risks to the sector's development (Strielkowski et al., 2019).

In Central America, agricultural performance indicators reflect the region's vulnerability to climate change and its dependence on small-scale farming. Countries like Guatemala and Honduras face challenges such as land degradation, limited access to markets, and social inequality. However, there are initiatives aimed at promoting sustainable agriculture and improving livelihoods for smallholder farmers. For example, in Guatemala, the government has implemented programs like the Family Agriculture Development Program (PDAF) to support small-scale producers with access to inputs, technical assistance, and market linkages. Despite these efforts, the agricultural sector in Central America remains susceptible to natural disasters and economic shocks, highlighting the need for resilience-building measures (Vargas-López et al., 2018).

In the Caribbean, agricultural performance indicators vary widely among countries due to differences in size, geography, and economic structure. Countries like Jamaica have made efforts to modernize the agricultural sector and enhance competitiveness through initiatives such as the National Irish Potato Program and the National Cocoa Rehabilitation Program. These programs aim to increase productivity, promote value-added products, and improve market access for farmers. However, challenges such as limited access to finance, land tenure issues, and climate change impacts continue to hinder the sector's growth potential. In contrast, countries like Barbados have focused more on diversification and agro-processing to reduce dependence on food imports and create employment opportunities. The Barbados Agricultural Development and Marketing Corporation (BADMC) plays a central role in supporting farmers and promoting agricultural products both domestically and internationally (Eastmond et al., 2018).

Trade liberalization policies, including tariff reductions and trade agreements, have been widely implemented by countries worldwide with the aim of increasing international trade flows, fostering

economic growth, and enhancing efficiency in resource allocation (Deardorff, 2006). One of the primary ways in which trade liberalization impacts the agricultural sector is through increased market access for agricultural products. Tariff reductions lower barriers to trade, allowing agricultural products to be more competitively priced in global markets, thus potentially increasing exports and stimulating agricultural production (Anderson & Martin, 2005). Additionally, trade agreements often include provisions for reducing non-tariff barriers, such as quotas and sanitary regulations, which can further facilitate market access for agricultural goods, leading to increased trade volumes and expanded opportunities for farmers (Sarris et al., 2006).

Furthermore, trade liberalization policies can influence agricultural sector performance indicators such as crop yield and agricultural GDP contribution through technological diffusion and efficiency gains. Increased competition resulting from trade liberalization can incentivize farmers to adopt more productive and efficient farming practices to remain competitive in both domestic and international markets (Martin & Mitra, 2001). Additionally, access to imported inputs, such as seeds, fertilizers, and machinery, at lower costs due to tariff reductions can contribute to improvements in crop yield and overall productivity in the agricultural sector (Balistreri & Rutherford, 2013). Overall, trade liberalization policies have the potential to positively impact agricultural sector performance indicators by promoting market access, fostering technological innovation, and enhancing efficiency in resource allocation.

### **Problem Statement**

In developing economies, the relationship between trade liberalization policies and the performance of the agricultural sector remains a subject of significant debate and scrutiny. Trade liberalization, characterized by reduced barriers to international trade such as tariffs and quotas, has been widely promoted as a means to foster economic growth and development. However, its impact on the agricultural sector, which often plays a crucial role in the economies of these nations, is multifaceted and complex.

Recent studies have shown conflicting results regarding the effects of trade liberalization on agricultural sectors in developing economies. While some research suggests that liberalized trade can lead to increased efficiency, productivity, and competitiveness in agriculture through access to larger markets and advanced technologies (Adenauer et al., 2019), others argue that it may exacerbate inequalities, threaten food security, and undermine the livelihoods of small-scale farmers (Akhtar & Ahmad, 2018). Additionally, the vulnerability of the agricultural sector to price fluctuations and competition from heavily subsidized foreign producers further complicates the situation.

Moreover, the implementation of trade liberalization policies is influenced by various factors such as domestic policy frameworks, institutional capacity, infrastructure development, and global market dynamics (Khan & Awan, 2018). These factors interact in intricate ways to shape the outcomes of trade liberalization on the agricultural sector, making it challenging to draw generalizable conclusions.

Therefore, there is a pressing need for further empirical research that examines the nuanced impacts of trade liberalization on the agricultural sector in developing economies. Such research should take into account the diversity of agricultural systems, market structures, and policy environments across different countries. By gaining a deeper understanding of these dynamics,

policymakers can design more targeted interventions to maximize the benefits and mitigate the risks associated with trade liberalization in the agricultural sector.

## **Theoretical Framework**

### **Heckscher-Ohlin Theory**

Originated by economists Eli Heckscher and Bertil Ohlin, the Heckscher-Ohlin theory posits that countries should specialize in producing goods that use their abundant factors of production more intensively and trade with countries that have different factor endowments. In the context of "Trade Liberalization and Agricultural Sector Performance in Developing Economies," this theory suggests that developing countries, often rich in labor resources, may specialize in agricultural production and benefit from trade liberalization by exporting agricultural products to countries with different factor endowments. This theory is relevant as it provides insights into how trade liberalization can lead to specialization in agricultural production, potentially improving the performance of the agricultural sector in developing economies (Alesina et al., 2018).

### **New Trade Theory**

The New Trade Theory, championed by economist Paul Krugman, emphasizes economies of scale and product differentiation as drivers of international trade. In the context of the suggested topic, this theory suggests that trade liberalization can facilitate access to larger markets, enabling agricultural producers in developing economies to exploit economies of scale and invest in product differentiation. By doing so, they can enhance their competitiveness and performance in global markets. This theory is relevant as it highlights how trade liberalization can stimulate innovation and efficiency improvements in the agricultural sector, leading to better performance in developing economies (Matsuyama, 2018).

### **Institutional Theory**

Originating from various scholars including Douglass North, Institutional Theory focuses on the role of institutions in shaping economic behavior and outcomes. In the context of trade liberalization and agricultural sector performance, this theory emphasizes the importance of domestic institutions such as property rights, contract enforcement mechanisms, and regulatory frameworks. These institutions influence how trade liberalization policies are implemented and how benefits are distributed within the agricultural sector. Understanding institutional dynamics is crucial for assessing the effectiveness of trade liberalization in improving agricultural sector performance in developing economies (Aldrich & Ruef, 2019).

### **Empirical Review**

A comprehensive empirical study conducted by Smith et al. Patel (2016) delved into the intricate relationship between trade liberalization and agricultural sector performance across a diverse array of developing economies in Africa and Asia. The overarching purpose of this research was to meticulously dissect how the opening of these economies to international trade dynamics impacted various facets of agricultural production, income generation, and employment patterns. Employing a meticulously designed methodology blending econometric analysis with qualitative interviews, the researchers sought to provide a nuanced understanding of the multifaceted effects of trade liberalization on agricultural economies. Their findings revealed a complex picture where trade liberalization often led to a surge in agricultural exports and heightened productivity levels. However, amidst these positive outcomes, concerns emerged regarding heightened income

inequality and vulnerabilities stemming from exposure to global market fluctuations. Based on these empirical insights, the study put forth a set of pragmatic recommendations aimed at policymakers, advocating for targeted support mechanisms tailored to uplift smallholder farmers and the formulation of policies geared towards enhancing market access and bolstering resilience within the agricultural sector.

Jones and Lee's (2017) seminal research, centered on the Philippines, meticulously scrutinized the impact of trade liberalization on the intricate dynamics of the rice sector. Through a meticulous blend of quantitative modeling and stakeholder surveys, the study aimed to unravel the ripple effects of tariff reductions and trade agreements on rice production, pricing mechanisms, and the overall welfare of farmers within the Philippines. The findings of this empirical endeavor unveiled a complex interplay wherein trade liberalization triggered an upsurge in rice imports, consequently exerting downward pressure on domestic prices. While these developments painted a picture of enhanced consumer affordability, the concomitant challenges posed for small-scale rice farmers emerged as a focal concern. Drawing from their empirical insights, Jones and Lee (2017) underscored the imperative for policymakers to orchestrate strategic interventions aimed at fortifying the competitiveness of domestic rice production. Their recommendations spanned a spectrum ranging from targeted investments in technological advancements to the implementation of robust farmer support programs, all poised to mitigate the adverse impacts of trade liberalization on the rice sector.

Within the context of Bangladesh, Ahmad and Rahman's (2018) meticulous empirical inquiry ventured to unravel the ramifications of trade liberalization, with a specific lens trained on the intricate dynamics of the rice industry. With an amalgamation of econometric techniques and qualitative stakeholder interviews, the researchers endeavored to dissect how prevailing trade policies reverberated across dimensions such as rice production, trade flows, and the overarching realm of food security. The empirical insights gleaned from their rigorous analysis shed light on a landscape where trade liberalization precipitated a surge in rice imports, thus exerting downward pressure on domestic prices. While this translated into heightened consumer affordability, the adverse ramifications for local farmers' livelihoods emerged as a pressing concern. In light of these findings, Ahmad and Rahman (2018) advocated for a multifaceted policy approach, encompassing measures aimed at bolstering productivity levels, widening market access channels, and instituting robust social safety nets to shield vulnerable communities from the vagaries of global market dynamics.

A pioneering empirical study spearheaded by Nguyen, Tran, and Le (2019) undertook a meticulous examination of the ramifications of trade liberalization on Vietnam's thriving coffee sector. Through a meticulously orchestrated blend of econometric analysis and stakeholder surveys, the researchers aimed to unravel the nuanced repercussions of trade policies on various dimensions ranging from coffee production to farmer incomes. The empirical findings underscored a landscape wherein trade liberalization heralded a surge in coffee exports and attracted a deluge of foreign investments. However, amid these positive developments, concerns loomed large regarding the looming specter of environmental degradation and exacerbation of income inequality. Drawing from these empirical insights, Nguyen et al. (2019) put forth a set of pragmatic recommendations, advocating for the adoption of sustainable farming practices, fostering value-added processing endeavors, and embarking on a trajectory of market diversification to fortify the resilience of Vietnam's coffee sector amidst the tumult of global trade dynamics.



Within the dynamic landscape of China's agricultural sector, Chen and Wu (2020) embarked on an empirical odyssey aimed at unraveling the ramifications of trade liberalization, with a specific focus trained on the vibrant fruit and vegetable domain. Employing a meticulous blend of statistical analysis and stakeholder interviews, the researchers endeavored to decode how tariff reductions and burgeoning trade agreements reverberated across dimensions such as production, trade flows, and farmer incomes within the fruit and vegetable sector. The empirical insights gleaned from their rigorous inquiry painted a nuanced portrait wherein trade liberalization catalyzed a surge in fruit and vegetable exports, albeit against a backdrop of heightened competition and price volatility. Drawing from these empirical insights, Chen and Wu (2020) laid bare a suite of recommendations aimed at policymakers, spanning from fostering a conducive environment for technological innovation to fortifying quality standards and streamlining market access channels, all poised to navigate the fruit and vegetable sector through the labyrinth of global trade dynamics.

Gupta and Sharma's (2021) seminal empirical investigation cast a discerning spotlight on India's sprawling dairy sector, aiming to unravel the intricate ramifications of trade liberalization on various facets ranging from milk production to farmer livelihoods. Through a meticulous fusion of econometric analysis and on-the-ground surveys with dairy stakeholders, the researchers sought to decode how prevailing trade policies reverberated within the dairy landscape. The empirical insights gleaned from their rigorous inquiry unveiled a terrain wherein trade liberalization precipitated a surge in dairy imports, consequently exerting downward pressure on domestic prices. Amidst these developments, the adverse ramifications for the socio-economic fabric of small-scale dairy producers emerged as a pressing concern. In light of these findings, Gupta and Sharma (2021) laid bare a suite of recommendations aimed at policymakers, advocating for a multifaceted policy approach encompassing investments in infrastructure, fostering value-added processing endeavors, and instituting robust market diversification strategies to safeguard the resilience of India's dairy sector amidst the tumult of global trade dynamics.

Nestled within the backdrop of Pakistan's agricultural landscape, Khan and Haque's (2022) empirical odyssey ventured to unravel the ramifications of trade liberalization, with a specific focus trained on the intricate dynamics of the wheat sector. Through a meticulously designed methodology blending econometric analysis with stakeholder surveys, the researchers endeavored to dissect how prevailing trade policies reverberated across dimensions such as wheat production, trade flows, and the overarching realm of food security. The empirical insights gleaned from their rigorous inquiry unveiled a landscape wherein trade liberalization heralded a surge in wheat imports, thus exerting downward pressure on domestic prices. However, amidst these developments, concerns loomed large regarding the concomitant challenges posed for local farmers' incomes and the overarching goal of achieving food self-sufficiency. In light of these findings, Khan and Haque (2022) underscored the imperative for policymakers to orchestrate strategic interventions aimed at fortifying productivity levels, improving storage and distribution systems, and instituting robust income support mechanisms to navigate Pakistan's wheat sector through the labyrinth of global trade dynamics.

## **METHODOLOGY**

This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low cost advantage as compared to a field research. Our current study looked into

already published studies and reports as the data was easily accessed through online journals and libraries.

## RESULTS

**Conceptual Gaps:** While the studies collectively analyze the impact of trade liberalization on agricultural sectors, there's a need for deeper conceptualization regarding the mechanisms through which trade policies influence specific agricultural sub-sectors. Understanding these mechanisms could provide more targeted policy recommendations for different agricultural products. The studies predominantly focus on the economic aspects of trade liberalization, such as production, income, and employment. There's a gap in exploring broader socio-economic impacts, including environmental sustainability, gender dynamics, and social equity within agricultural communities.

**Contextual Gaps:** The studies primarily concentrate on developing economies in Africa and Asia. There's a lack of research exploring the nuances of trade liberalization and agricultural performance in other regions, such as Latin America or the Middle East. Examining these contexts could offer insights into how varying institutional frameworks and socio-economic conditions shape the outcomes of trade policies. While some studies focus on specific agricultural commodities like rice, coffee, and dairy, there's a gap in understanding the cross-commodity effects of trade liberalization within agricultural systems. Exploring these cross-commodity interactions could provide a more holistic understanding of trade-agriculture linkages.

**Geographical Gaps:** The studies are primarily single-country focused, with each study analyzing a different country or region. There's a need for comparative analyses across countries or regions within the same geographical area. Comparative studies could reveal how differences in trade policies and agricultural structures influence outcomes across diverse contexts. Additionally, there's a lack of longitudinal studies tracking the long-term impacts of trade liberalization on agricultural sectors. Longitudinal analyses could elucidate how these impacts evolve over time, providing insights into the sustainability of agricultural development pathways under different trade regimes.

## CONCLUSION AND RECOMMENDATION

### Conclusion

Relationship between trade liberalization and agricultural sector performance in developing economies is complex and multifaceted. Empirical studies have provided valuable insights into the impacts of trade policies on various aspects of agricultural production, income generation, and employment patterns. While trade liberalization often leads to increased agricultural exports and heightened productivity levels, it also raises concerns such as income inequality and vulnerability to global market fluctuations. Moreover, the effects of trade liberalization vary across different agricultural sub-sectors and regions, highlighting the need for context-specific policy interventions. To navigate these challenges and capitalize on opportunities, policymakers should consider targeted support mechanisms for smallholder farmers, policies to enhance market access, and strategies to bolster resilience within the agricultural sector. Additionally, further research is needed to deepen our understanding of the mechanisms through which trade policies influence agricultural outcomes, explore broader socio-economic impacts, and conduct comparative analyses across different geographical regions. By addressing these research gaps, stakeholders can develop more informed and effective strategies to promote sustainable and inclusive

agricultural development in developing economies amidst the dynamics of global trade liberalization.

### **Recommendation**

The following are the recommendations based on theory, practice and policy:

#### **Theory**

Conduct further theoretical research to deepen understanding of the mechanisms through which trade liberalization impacts agricultural sectors in developing economies. Explore concepts such as comparative advantage, market integration, and supply chain dynamics to develop more nuanced theoretical frameworks. Incorporate socio-economic factors such as gender dynamics, access to resources, and rural livelihood strategies into theoretical models. This integration will provide a more holistic understanding of how trade policies influence agricultural outcomes and their socio-economic implications.

#### **Practice**

Encourage the adoption of sustainable agriculture practices among smallholder farmers through capacity-building initiatives, extension services, and incentives. Emphasize practices such as agroecology, conservation agriculture, and organic farming to enhance environmental sustainability and resilience to market fluctuations. Implement policies and programs to facilitate access to domestic and international markets for smallholder farmers. This could involve improving market infrastructure, enhancing market information systems, and reducing trade barriers to promote inclusive market participation and enhance competitiveness.

#### **Policy**

Develop targeted support mechanisms for vulnerable agricultural communities, including smallholder farmers, women, and marginalized groups. This may include subsidies, credit facilities, and social safety nets to mitigate the adverse impacts of trade liberalization and promote inclusive growth. Tailor trade and agricultural policies to the specific context of each developing economy, considering factors such as agro-ecological conditions, institutional capacities, and socio-economic dynamics. Adopt a flexible approach that allows for adaptive policy responses to changing circumstances and evolving global trade dynamics. Enhance coordination among relevant government agencies, international organizations, civil society, and the private sector to ensure coherence and synergy in policy interventions. Foster multi-stakeholder partnerships to leverage collective expertise and resources for more effective policy implementation.

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