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XX April International Academic Conference on Academic and Social Development

«AGRARIAN SECTOR OF RUSSIA: FACTORS OF GROWTH»

**AGRICULTURAL ECONOMICS AT HSE:
DO WE NEED IT?
THE VIEW OF AN OUTSIDER**

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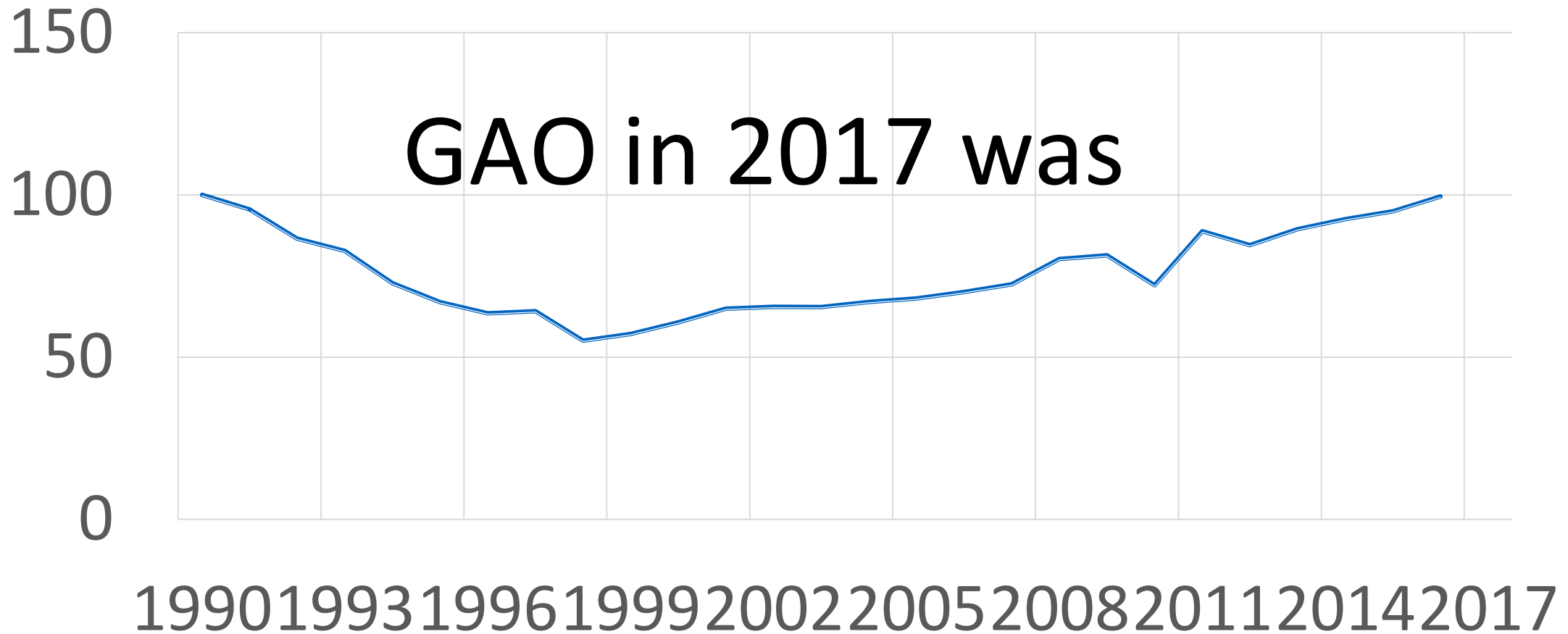
The CONTENT

1. Inefficient exploitation of the available production potential.
2. The need for specific human capital.
3. Specifics of the agricultural sector.
4. Specifics of agricultural economics education.
5. Opportunities on the labor market.



Gross Agricultural Output (GAO)

1990 = 100

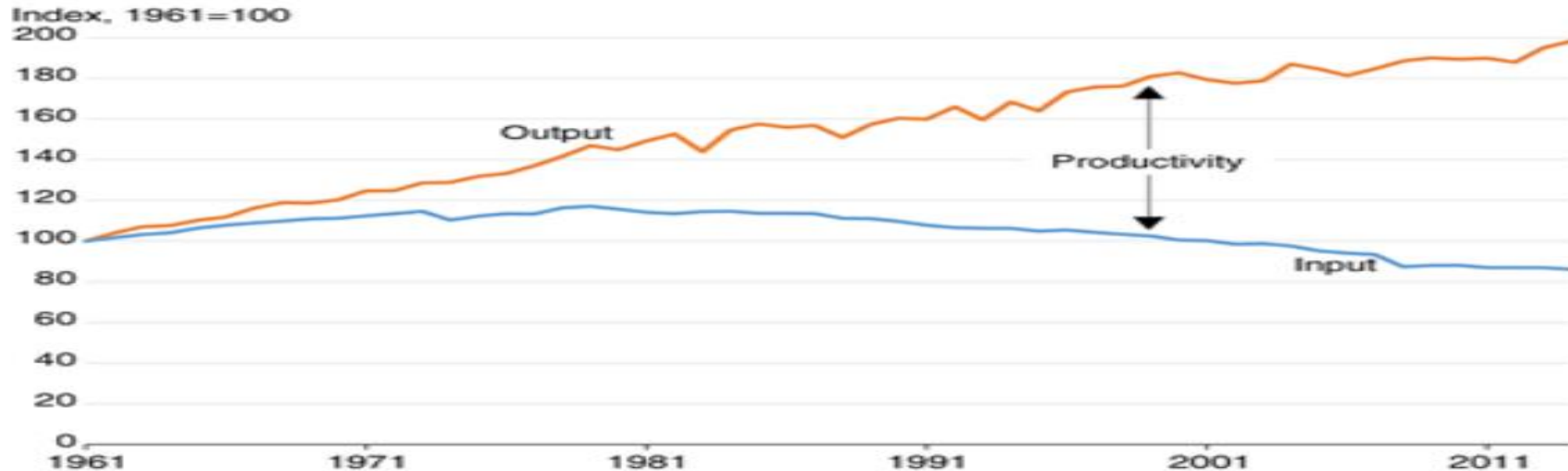




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The Output and Input Development in high income countries

Since the late 1970s, aggregate agricultural output growth in high-income countries has been driven entirely by growth in productivity.



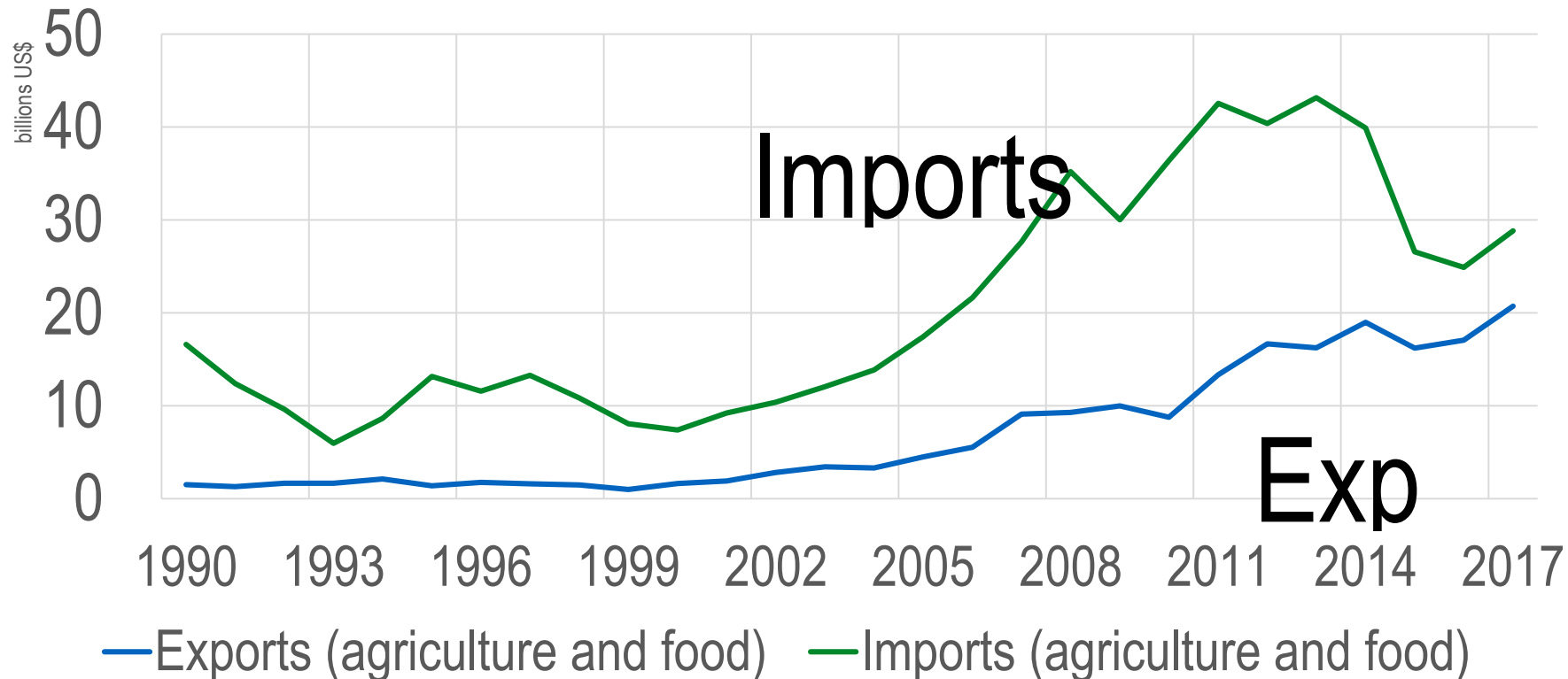
Note: The agricultural output index measures the volume of all crop and livestock products produced relative to 1961. The agricultural input index measures the total amounts of land, labor, capital, and material resources employed in farm production relative to 1961.

Source: USDA, Economic Research Service, International Agricultural Productivity series.



The Performance of Russian Agriculture

Export and Imports of Agricultural Products





Non-exploited production potential

Yield gaps in wheat production

- between Russia and Canada.
- between good and bad performing farms within Russia.

Yield gaps in milk production

- between Russia and European countries.
- between good and bad performing farms within Russia.

Inefficient use of inputs: fertilizer, work force, artificial insemination and others.



The Importance of Human Capital

Theodore Schultz Nobel Prize Winner 1979

Once there are

INVESTMENT OPPORTUNITIES AND EFFICIENT INCENTIVES,

FARMERS WILL TURN SAND INTO GOLD Theodore Schultz, 1964

Specifics of the Agricultural Sector

Specific character of goods

Search goods - Experience goods - **Credence** goods.

Private goods - **Public goods** - **Merit** goods.

Political interest in agricultural production. Specific policy objectives.

Specific importance of individual factors of production:

Land, capital, labor.



MA Program in Agricultural Economics

Constitutive elements for selected students:

- High grade in Bachelor exam.
- Internship in the agri-business sector: Preferable prior to the enrolment. At least three months.
- Entrance exam with focus on English and mathematics.



Focus of the MA Program

- ❑ **Applied economics, but focus on agricultural and food economics.**
- ❑ **Include modules on foundations of plant, animal production and agricultural technology.**
- ❑ **Include institutional and behavioral economics.**
- ❑ **Teaching mode:**
 - ❑ **Less vertical and more horizontal teaching.**
 - ❑ **Focus on critical thinking**



The competence of Agricultural Economists

Nobel-Prize winner in economics Wassily Leontief 1973.

An exceptional example of a healthy balance between theoretical and empirical balance analysis and of the readiness of professional economists to cooperate with experts in the neighboring disciplines is offered by Agricultural Economics. **When they (the agricultural economists) speak** of crop production, fertilizers, or alternative harvesting techniques, **they usually know, sometimes from professional experience, what they are talking about:”** Leontief, 1971.

Employment opportunities

Private sector	Public sector
Manager (CEO) of large enterprises in the agro-food sector	Researcher in agricultural economics
Same occupations as general economists	Teacher at all levels of the professional education
Advisor of large enterprises in the agro-food industry	Farm extension officer
Farm credit advisor at a credit organization	Administrator of public programs
Trader in agricultural commodities	Civil servant in the agricultural administration (all levels of the Federation)



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Thank you for attention

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