

Study on the Relationship between Economic Growth and Structural Change of Agribusiness

Topic: Various approaches to structural analysis

Author: Binjian Yan

Co-Authors: Jin Fan, Yingheng Zhou

this paper analyzes the relationship between economic growth and structural change of agribusiness. Under the concept guided by Davis and Goldberg(1957), we first build a comprehensive framework of agribusiness system. We then measure the value added of four sectors—agri-input sector, agri-producing sector, agri-processing sector, agri-distributing sector—in agribusiness system based on the method modified on Furtuoso and Guilhoto(2001) to characterize the facts of structural change in agribusiness both in national level based on OECD IO Tables(2010 edition) and in province level based on Chinese provincial IO tables in 1997 and 2002. The two main features of structural change in agribusiness are: (1) the share of value added of agribusiness system in national economy is decreasing with the growth of economy; (2) the share of agri-processing and agri-distributing sectors are increasing with the growth of economy. In the third part, we build a theoretical model based on Kongsamut, Rebelo和Xie(2001) to explain the above facts from the demand side of the economy. Our findings are useful for understanding the structural change in agribusiness both in empirical and theoretical aspects.