INTRODUCTION
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The purpose of the present study is to highlight the role of the state assistance in agricultural sector of Egypt during 1959/60-1979. This 20 years period witnessed change from a controlled economy to a free economy, where the most of the controls were lifted. Hence, the period selected in this study is significant as it shows how the policy of state assistance in agricultural sector functioned during the period where most of the controls in other sectors of the economy were lifted.

The subject matter has been discussed in six chapters. The first chapter outlines economic background of Egypt which examines in detail the area and population of Egypt. It is to be noted that the crux of Egypt's problem is her population explosion reflected in the fact that in 1979 41 million persons depended on 5,567,700 feddans of land for sustenance. As 96.4 percent of the area is desert and consequently unfit for cultivation the magnitude of paying output can be easily realised.

Chapter two discusses in detail "State of Agricultural Economy of Egypt" with respect to total area, total production and trend yield per feddan (one feddan is equal to 1.038 acre or 0.42 hectare approximately) of food crops and commercial crops, plantation and horticultural product, and the trend in production in animal husbandry and fisheries. The chapter gives an idea of the importance of the agricultural sector in the economy of Egypt.
The third chapter is devoted to "nature and characteristics of state assistance to agricultural sector" which is divided into two sections. Section one discusses the forms and brief history of state assistance. Various forms of state assistance adopted in different parts of the world have been briefly reviewed in order to put the form of state assistance applied in Egypt in proper prospective.

The second section examines the forms of direct state assistance applied in Egypt under four heads, namely, subsidy, loans, price support measures and sources of finance.

Among direct state assistance measures is subsidy, which received an important position in Egyptian agricultural policy. Both direct and indirect forms of subsidy have been discussed and its effects on agricultural production have been measured in Chapter Five where we discuss the effects of state assistance on the agricultural economy of Egypt.

Loans have been extended to farmers both under short-term and long-term context. As commercial banks are mainly finance industry, the burden of providing loans has fallen on agricultural cooperative societies. Under price support, four formulas have been used to assess the effects of price support measures and supply response of principal crops. First two formulas relate to the calculation of the cost of production. The formula adopted by the Ministry of Agriculture in Egypt is compared with our own calculation. Similarly, two parity price formulas have been used to assess the effects on farmers as reflected in
the difference between the prices paid by farmers and received by them.

A study of price and subsidy policy of the main agricultural crops i.e., rice, millet, cotton, wheat, beans, peanuts, sesame and onion is of great importance to know the supply response function which means that the land cultivated with these crops as response to increase or decrease their prices.

Sources of finance fall under two categories, domestic and external assistance. These have been discussed in detail in Chapter Three.

The Fourth Chapter deals with the forms of indirect state assistance applied in Egypt consisting of institutional forms which have bearing on agricultural production in two sections. Section one includes what is generally described as agrarian reforms, rent control, consolidation of fragmented holdings, and cooperative marketing and agricultural extension in its various forms such as exemplary fields, selected fields, demonstration fields, extension aggregation and extension villages. Likewise section two discusses the state investment in agricultural infrastructures such as barrages and storage dams, drainage and land reclamation.

For a deeper understanding of the problem, the Fifth Chapter analyses the impact of direct and indirect state assistance which is divided into four sections. Section one discusses impact of direct and indirect state assistance on GNP, GNI, imports and
exports, and trend yield per feddan as well as total output.

Section two examines impact of direct assistance to agricultural sector which includes, subsidy, loans and the price support measures.

The third section deals with impact of agrarian reforms and agricultural extension on agricultural sector as indirect state assistance, while section four discusses in detail impact of indirect state assistance on agricultural sector infrastructure. The study reveals that the policy of state assistance adopted in Egypt has not shown the desired results.

Chapter Six presents conclusion and suggestions. The state assistance measures have not increased productivity of land in order to provide higher incomes to the farmers. This has resulted in inflation which has raised the general price level, raising costs, and decreasing real incomes to farmers.

Our major conclusion is that state assistance is both direct and indirect forms, but have not contributed to increase in production and increase in income of farmers. This is because the actions of state assistance were not properly formulated and show important gaps in implementation.

Lack of information and lack of adequate data made the work difficult. Considerable efforts were made in computing some tables, but absence of data in some tables restricted the scope of the study.