Foreword

Sjarifudin Baharsjah

Junior Minister, Ministry of Agriculture, Republic of Indonesia

The Food Research Institute at Stanford University carried out three in-depth studies of Indonesia's principal food crops—cassava, corn, and rice—during the 1980s. This work has served as an invaluable complement to our own efforts at analyzing food and agricultural development policy during a period that witnessed Indonesia's transformation from a major rice importer into a self-sufficient producer.

During my long acquaintance with the Stanford research teams, I have been impressed by their *modus operandi* because of their effective collaboration with diverse institutions and the methodological rigor with which they pursue their multidimensional analysis of single commodities. Most significant, their comprehensive analytical framework for food policy analysis stresses the importance of assessing the actual or potential trade-offs between the national objectives of efficient income growth, equitable distribution of income, and security of food supplies for consumers.

In this spirit, the current volume traces the fortunate circumstances of minor trade-offs in rice policy through the time of the transition from rice imports to self-sufficiency. The cautionary note regarding the adverse efficiency and equity impacts of improving future food security by means of substantial increases in domestic food prices is also well founded.

To policymakers, the conclusion that as rice output more than doubled, aggregate employment in rice production was unchanged is sobering. The revelation that the real wages of unskilled agricultural workers increased substantially during the 1980s is both an important cause of rice farmers' decisions to employ much less labor per unit of output and a key indicator of the improving living standards of Indonesia's rural poor. Finally, a detailed analysis of the changing structure of the world market for rice shows the declining importance of Asian countries as importers but illustrates that the world rice price will probably continue to be very unstable and difficult to predict.

Empirical insights such as these, drawn within an integrated analytical framework, provide a reliable evaluation of past policy and serve as guidelines in the design and implementation of future policy. I rest confident that the Food Research Institute will continue its collaboration in superior food and agricultural policy analysis as Indonesia develops further.