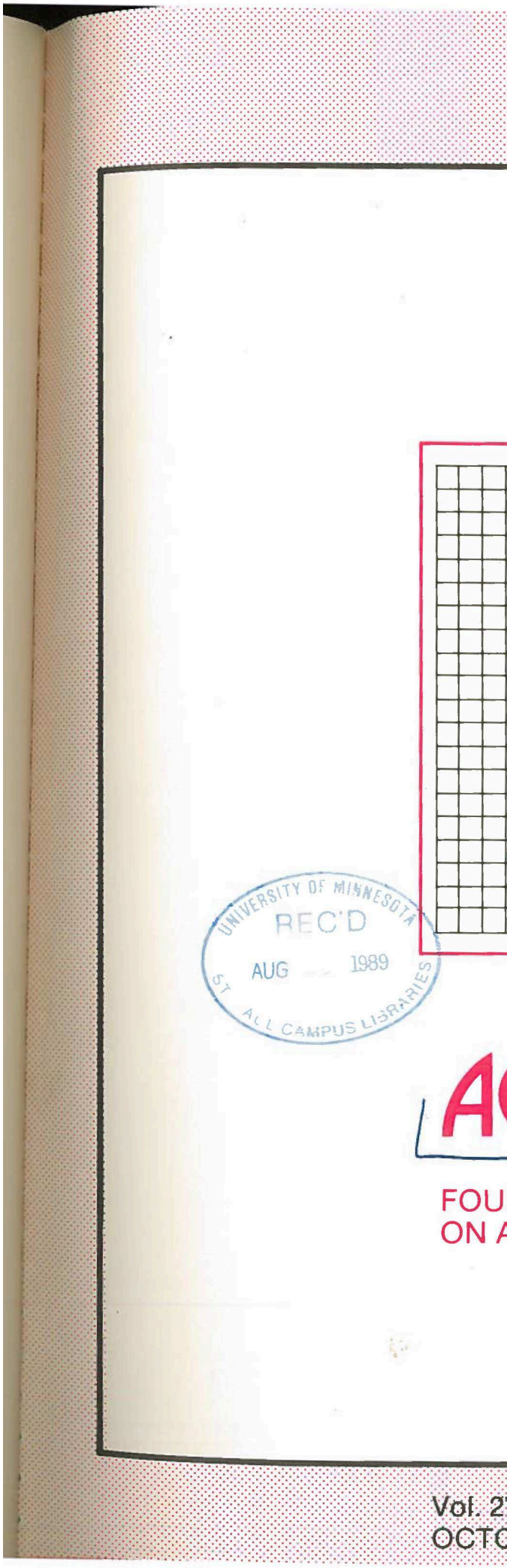

DO THE OPI
AGRICULTURA
FROM THOSE
EC

by J.

ABSTRACT

A survey of the opinions of agricultural e
in Southern Africa shows that there are f
ideological differences between them a
American counterparts. It seems that the
as a whole tends to support the free
although with some qualifications.

INTRODUCTION

A fairly long questionnaire was sent to all
members of the Agricultural Economics A
of Southern Africa (AEASA) during Febr
(cf. Table A1). This survey of the op
Southern African agricultural econom
prompted by two separate events. First,
Hallam (1986) tested the opinions of
agricultural economists, and found "A co
agricultural economists". Their research,
arose from two opinion surveys, one
economists in the USA (Kearl *et al*, 1979)
general economists in Europe (Frey *et al*, 1

Both studies of general economists
high degree of consensus, especially
propositions of positive economics, in co
the confusion of opinion among
agricultural economists. This prompte
concerning the range of opinions of
African agricultural economists.

Second, both the previous internatio
to the AEASA Annual Conferences in
1987, Professors Luther Tweeten and
Johnson, respectively, remarked on the
professional opinion among those wh
these conferences. Both also felt this to
of strength for the AEASA.

The questionnaire sent to AEASA
was to a large degree a duplication of th
by Pope and Hallam (1986), and
subsequently drawn a certain amount
from the ranks of AEASA members. O
was, however, not only to test the opin
local agricultural economists but also
them with those of their colleagues in the
quality of responses received also show th

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Africa, respectively. The authors share seniority of
this paper
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local agricultural economists, these 71 pro
were divided into 7 functionally related
These groups and the corresponding
numbers are shown in Table 2.

TABLE 2 - Classification of questions

Category	Questions
Marketing schemes	2, 3, 5, 13, 18, 27, 33, 35, 42, 62, 67
Agricultural development	14, 15, 30, 53, 63, 70
Research methods	7, 8, 11, 17, 24, 26, 31, 38, 40, 55, 58, 60, 64
Information and risk	4, 16, 25, 29, 36, 41, 45
Market characteristics	1, 9, 21, 23, 34, 37, 65, 68
Normative policy	19, 39, 43, 44, 56, 57, 61, 66, 69
Miscellaneous	6, 10, 12, 20, 22, 28, 32, 46, 50,

This classification will be used in d
consensus among Southern African ag
economists as well as differences between
African and American agricultural economis

CONSENSUS AMONG SOUTHERN AFR AGRICULTURAL ECONOMISTS

In measuring the degree of consensus of opi
responses under "strongly agree" and "ag
those under "strongly disagree" and "disag
aggregated.

The strength of feeling on any particu
can be found in Table A1. The purpos
section is to highlight areas where there see
a general consensus of opinion. Quest
referred to as Q1, Q2, etc.

Marketing schemes

It is evident from Q3 that most (64,7 per ce
favour of retaining the marketing boa
reasons for this opinion range from thei
standardisation to the stability which
thought to promote (see the responses to
Q27, Q33 and Q35).

Proponents for the free market system
fear, however, since this support is not un
Marketing boards that facilitate price barga
popular (Q2), while a *laissez-faire* app
preferred to the current maize (Q18), milk (
meat (Q67) policy. In general terms,
respondents are ambivalent concerning th
single channel fixed price schemes (Q
concerning the desirability of a *laissez-fai*
policy (Q51). Further analysis of the den
characteristics of respondents is required in
explain these responses. There is, howe
unanimity regarding the price of control (Q
than 80 per cent know that prices are no
competitive equilibrium levels.

Agricultural development

Responses to these questions show a large
unanimity as regards justification of exper
agricultural development (Q14), althoug

Question	2	3
Difference in response	42,9	12,7

Miscellaneous

There are two issues in this section whi attention. There is overwhelming suppo idea that part-time farmers contribute welfare (80,7 per cent: Q10) and that they eligible for State assistance, for example i of Land Bank loans (79,9 per cent: Q28). be construed as support for a reconsid official policy.

A further important issue is the sup to the idea that farm labourers shou management as well as technical trai Again, a majority of respondents (89,9 support this view, which was given cu Brand (1986:5), as a means of improvin allocation and welfare in agriculture.

General

A general observation which can be mad discussion is that there seems to be a support the free market system in although such support is qualified. The show, however, that there is no case in than half of the respondents either strong disagree with a proposition, while there of the 71 questions in which more than either agree or disagree. It is clear tha analysis of the demographic charact respondents could throw more light on t of opinions.

COMPARISON WITH AMERICAN AGRICULTURAL ECONOMISTS

The data used in this section were calcu absolute value of the difference between and disagreement on a proposition. In a "strongly agree/agree" and disagree/disagree" were aggregated as in section. Further, these calculations wer both Southern African and American res the difference between these is used to c opinions of the two groups of economists. Using Q51 as an example, value of the difference between agree (4 and disagree (48,9 per cent) views is 2,6 difference in the case of the USA is (Pope and Hallam), giving a margin of 2 difference between American and South opinions. This figure reflects the degree between American and Southern African economists on any given proposition.

The data were grouped according categories used in section 3, and the r the USA were obtained from Pope (1986: 575-577). Question numbers r South African questionnaire. No regarding agricultural development w American agricultural economists.

economists agree on the usefulness of models incorporate risk (Q26) and of deriving and ar data obtained from experimental methods (Q3 the need for dynamic models (Q58).

Information and risk

Question	4	16	25	29	36	41
Difference in response	54,7	30,0	59,3	22,4	14,6	63,0

These questions were all put in exactly th form to both sets of respondents. Ther difference of opinion regarding the usefuln insurance and disaster programmes (Q4) American economists strongly in favour, futures markets (Q41), with the Am dissenting. As was seen in the section on infor and risk Southern African agricultural eco are keen to know more about futures markets

Both sets of respondents are in fav government data collection and analysis (Q25 although the American respondents overwhelmingly in favour (90,6 per cent as co to 57,1 per cent: Q25). Both groups a surprisingly ambivalent regarding the desirab giving smaller farmers more extension suppor

Market characteristics

Question	1	9	21	23	34	37	65
Difference in response	19,3	2,5	11,8	54,2	35,5	22,6	28,7

There is a large degree of consensus regard characteristics of agricultural markets. O differ, however, regarding the existence of bar entry and exit in agricultural industries (Q23) the majority (72,3 per cent) of the local agri economists believe they are high compared wi 43,7 per cent of their American count Further, 65,5 per cent of the Southern African believe that market incentives do not lead to resource conservation (Q34), while 48,1 per the American group believe that they do. opinions can probably also be traced differences in market structure between t countries.

Normative policy

There would appear to be unanimity on questions of what 'ought to be'. Al agricultural economists feel more strongly tha should not be judged only by its effect on co welfare (87,5 per cent as compared to 63 p Q56), while their views on cooperatives also degree. While 37,2 per cent of the Southern group do not believe the cooperatives (as vo

Question	19	39
Difference in response	16,4	14,6

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TABLE A1 - THE OPINIONS OF AGRICULTURAL ECO

QUESTIONS	
MARKETING SCHEMES	
2. Marketing boards which facilitate price bargaining improve social welfare	
3. Social welfare would be improved if all marketing boards were abandoned	
5. Marketing boards, which facilitate assembly, grading, and packaging, lead through standardisation to a net welfare gain to society through improved operational efficiency and consumer information	
13. Floor and fixed prices have led to more stability in agricultural income as compared to *laissez-faire* pol	
18. Current public policy regarding maize production is socially preferred to a *laissez-faire* policy	
27. Quotas are effective in reducing aggregate production	
33. Supply controls are socially preferred to price suppor	
35. Social welfare is improved through the provision and enforcement of anti-monopoly laws	
42. Government programmes which intend to promote greater stability in price or output (such as single channel fixed price schemes) have generally also increased average aggregate farm income	
49. Marketing boards have succeeded in stabilising and/or raising prices to such an extent that producers are better off	
51. *Laissez-faire* is preferred to government intervention agriculture	
59. Agricultural prices are close to a competitive market equilibrium	
62. A *laissez-faire* policy regarding milk production is socially preferred to the current policy	
67. Current public policy regarding meat marketing is socially preferred to a *laissez-faire* policy	
AGRICULTURAL DEVELOPMENT	
14. There is justification for money spent on agricultural development in the self-governing territories	
15. Money spent on agricultural development in the self-governing territories should be for large scale project development rather than on small farmer support	
30. Agricultural policy for the self-governing territories should stress food self-sufficiency rather than free trade	

Note[1]: SA : Strongly agree SD
A : Agree DK
D : Disagree

Note[2]: Agree = SA + A
Disagree = D + SD

53. Farmers in the self-governing territories should b to become members of the SA cooperatives and their produce through the SA marketing boards

63. Money spent on agricultural development in the governing territories displaces markets for SA farmers

70. Not enough money is spent on agricultural devel in the self-governing territories

RESEARCH METHODS

7. Agricultural economics should be primarily a so rather than a managerial, science

8. The representation of the real world in agricultu economics research (as indicated by the journals by emphasising technical elegance is not very us for understanding agricultural economic behavio

11. Time-series analysis is generally more accurate th econometric analysis when predicting economic variables

17. Economic predictions of mathematical program models are generally superior to those of econor methods

24. Research problems and results that do not have immediate or direct policy implications are of li value

26. Models of agricultural economic response based risk-averse behaviour are useful in positive econo analysis

31. Greater resources should be devoted to deriving and analysing data obtained by experimental me

38. Agricultural economics is primarily a social, rath a managerial, science

40. Farm management issues and skills are central to agricultural economic analysis

47. Farm management issues and skills should be ce to agricultural economic analysis

48. Economic research supported by the experimen station is socially productive (i.e. social costs are than social benefits) and should be publicly fund

52. Dynamic optimisation tools are primarily useful normative, rather than positive, economic analys

55. Agricultural decision makers process informatio a simple way so that adaptive or static expectati rather than rational expectations, best describe behaviour

58. Considering the trade-offs between generality an costs, most agricultural problems can be adequat using static, rather than more complicated, dyna models

60. Greater resources should be devoted to primary opposed to secondary data collection and analys

64. The profession does not rank highly research wh attempts to test or 'confirm' economic theories or models

INFORMATION AND RISK

4. Disaster and crop insurance programmes which ar funded (partially or completely) by the governm raise social welfare as compared to a *laissez-faire* policy

16. Given current information, the futures market is not a good indicator of expected supply and dem conditions

25. Government data collection and analysis leads to increase in market efficiency

29. Because of market failure in the provision of inf agricultural economic extension efforts are socia productive (i.e. social costs are less than social be and should be funded

36. Government-supported activities such as the exte service should be more fully directed toward sma scale agriculture

41. More extension resources should be devoted to convincing farmers that use of the futures marke will improve farmers' welfare

45. Government expenditures on information genera such as market price information, should increas

MARKET CHARACTERISTICS

1. Characterising farms as small businesses, the mar they face are more concentrated than those face by other small businesses

9. Generally, externalities associated with agricultu production do not lead to distortions which are sufficient magnitude to warrant government inte vention

21. Price instability at the producer level is caused m by randomness of production rather than marke power or random demand

23. Barriers to entry and exit in agricultural industri are sufficiently low that the markets can be char terised as what some economists have called con (approaching a competitive allocation of resourc

34. Market incentives do not lead to efficient conser (use) of agricultural resources

37. Changes in the prices of agricultural outputs lead input price changes

65. Resource adjustments in agriculture are 'sticky' compared to other sectors of the economy due t asset fixity

68. Agricultural land values are determined primarily agricultural use

NORMATIVE POLICY

19. Governmental policies should not attempt to redistribute income and wealth from other secto of the economy to factors of production in agric

39. Funding for demand expansion programmes such as food subsidies, should be implemented

43. The government should pursue policies aimed at equalising the distribution of income and wealth w the agricultural sector

44. Free trade policies should be pursued by the gover

56. All agricultural policies should be evaluated only i terms of their ultimate effect on aggregate consum welfare

57. Society should not discourage farm growth

61. As opposed to income transfers or stability, the pr justification for government intervention is that so desires a 'cheap food' policy

66. Voluntary organisations, such as cooperatives, rais farm incomes

69. If public-sponsored mechanisation research displac government adjustment assistance to those displac should be provided

71. Commodity market promotion significantly raises to such an extent that net farm income from com sales increases

MISCELLANEOUS

6. Management, as well as technical, training should given to farm labourers

10. Part time farmers contribute to optimal resource u and therefore also to society welfare

12. Social public policies regarding the financing of agricultural investment are necessary because whol private financial markets are imperfect

20. Larger farms should receive lower subsidies than s farms

22. Marketing, more than production skills, increases farm income

28. Part-time farmers should not be eligible for State a e.g. Land Bank Loans

32. Flexible international exchange rates are superior pegged or fixed rates

46. Credit rationing by commercial banks has reduced investment from the social optimum

50. The deterioration in the terms of trade is a signific factor in the impoverishment of the third world population

54. Recent export embargoes enacted for political rea have had little or no economic effect on the dome market