



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

DOELTREFFENDHEID IN DIE LANDBOU: 'n LANDBOUBELEID-SIENING

Openingsrede by die jaarlikse konferensie van die Landbou-Ekonomievereniging van Suider-Afrika

J de Villiers LP
Minister van Landbou, Pretoria

CS Blignaut
Adjunk-Direkteur-Generaal, Department van Landbou, Pretoria

1. Inleiding

Die vertrekpunt in hierdie openingsrede berus op twee stellings, naamlik 'die beleidmaker moet daarop bedag wees dat *ad hoc*- optrede kan lei tot wanpersepsies' en 'in beleid en ander kommunikasie moet wanopvatting wat ontstaan het as gevolg van beleidoptrede in die verlede, daadwerklik reggestel word'.

In die praktyk kom dit daarop neer dat die beleidmaker nie moet spekulêr nie, maar landboubeleidsriglyne in duidelike terme moet uitspel en konsekwent moet toepas.

Dit beteken ook dat dit wat as gevolg van die verlede tot stand gekom het, geweeg moet word teen die beleidsriglyne en dat daarmee gehandel moet word volgens die uitkoms van die evaluering. Om dit in die praktyk te verwesenlik, is baie makliker gesê as gedoen! Derhalwe, in die eerste plek, 'n woord van dank aan die landbou-ekonomiese vir die voortrefflike navorsing wat reeds op die terrein van landboubeleid gedoen is. Tweedens versoek ek u om op hierdie voortrefflike wyse voort te gaan sodat nie net die foute van gister en vandag wetenskaplik-objektief uitgewys word nie, maar veral ook dat alternatiewe oplossings met hul konsekwensies daarby gevoeg word.

2. Makro-ekonomiese faktore

Ten opsigte van landboubeleid, is daar beide die ekonomiese en politieke faktore wat in ag geneem moet word by die hanteering van beleid 'in' en 'vir' die landbou (Sen, 1976). Wat die beleid 'vir' die landbou aanbetref, moet landbou dit as gegewe aanvaar. In die verband is die Regering besig met 'n algemene herstrukturering van die ekonomie, wat op die produksiekant van die ekonomie ingestel is.

Die verhoging van die groei- en werkskeppingsvermoë van die ekonomie op 'n wyse wat ook die grootste moontlike deursyfering van die voordele van groei aan die bevolking op alle vlakke daarvan sal verseker, is die belangrikste oogmerk van die program (De Klerk, 1990).

Die program is gerig op die vergroting van die plaaslike beskikbaarheid van skaars produksiefaktore, veral kapitaal, ondernemerstalent en geskoolde arbeid, deur die bevordering van stabiliteit op alle terreine en die toepassing van gepaste maatreëls oor die hele spektrum van ekonomiese beleidvoering. Die betrokke maatreëls moet ook verseker dat nuwe sowel as bestaande produksiekapasiteit, met inbegrip van kapitaal-toerusting en arbeid, so doeltreffend moontlik benut word.

Wat die betrokke maatreëls betref, het onlangse gebeure in Oos-Europa weer eens bevestig dat daar geen alternatief is vir private inisiatief en 'n goed werkende mark- en prysstelsel nie. Die Regering se herstruktureringprogram is dus in die eerste plek uitkakeling van faktore wat die effektiewe werking van die markstelsel belemmer en wat verhoed dat die pryse van

produksiefaktore, kommoditeite en dienste 'n getroue weergawe van die werklike skaarsheidswaarde van sodanige goedere en dienste is. Selfs waar goedere en dienste noodwendig deur die openbare sektor voorsien moet word, soos in die geval van gemeenskaplike goedere en dienste, word gepoog om die voorsiening van sodanige goedere en dienste onderhewig te stel aan die dissiplines wat normaalweg in 'n goed werkende marksituasie sal geld.

Die sukses van enige herstruktureringprogram hang egter wesenlik af van die konsekwente en gekoördineerde formulering en deursoening van spesifieke, doelgerigte askieplanne. Die Regering het derhalwe ook in sy herstruktureringprogram voorsiening gemaak vir behoorlik gekoördineerde ekonomiese beleidvoering. Die Minister vir Administrasie en Ekonomiese Koördinering is aangewys as koördinerder van die ekonomiese herstruktureringprogram. Hy word in hierdie taak bygestaan deur 'n *ad hoc*-ministerkomitee, waarin onder andere ook die Minister van Landbou dien. Hierdie laaste stukkie inligting oor die verteenwoordiging word deurgegee sodat u dit nie in u beraadskagings en navorsing oor die effek van beleid 'vir' die landbou buite rekening laat nie. Werk deur die landbou-ekonomiese om die effek van byvoorbeeld die makro-ekonomie op die landbou prognosties na te vors, kan van onskatbare waarde wees.

You would have noticed that an effective functioning market system is prominently positioned in the restructuring programme so that the price mechanism can perform its functions of the division of production factors and the economic distribution of commodities and services successfully. Certain individuals and groups doubt the correctness of a freer economy based on minimum government interference and a just and free access to resources. In this regard I refer you to Porter (1990) who compared the branches of several multinational companies in various countries to each other in his research on the competitive advantages of nations. He came to the conclusion that the leaders of specific industries and segments of industries have been established in certain countries for several decades. The countries where the leaders of the segments of the multinational companies are to be found, are countries where the economic structure, values, culture, institutions and history unconditionally contribute to competitiveness.

This freer market approach serves as a guideline along which agricultural policy must be developed and expanded. The fact that an agricultural policy is particularly referred to indicates that an identity in its own right must not be granted to the market, nor must freedom of choice be absolutised (cf Kassier, 1990). This means that there is actually government intervention in agriculture by way of agricultural policy. There are various rationales in favour of government intervention in agriculture with definite objectives in view, for example to accelerate the income growth rate to rectify market failures or market imperfections, to alter the position of agriculture in the economy, the appropriation of public goods, etc (cf Monke and

Pearson, 1989). These objectives, economically spoken, can either be efficient or inefficient. With the movement towards a freer market there will still be government intervention in South Africa, but where the objective that is pursued is inefficient, the burdens involved will have to be calculated so that the community or that section of the community liable for the associated costs, can evaluate it. Support for policy of this kind is to be found in the theory of personal-interest where research by Variyam and co-workers (1990:275-365) indicates that the economic arguments, suggesting that the community has altruistic motives to redistribute the income to the agricultural community, are not beyond all doubt.

A policy where the financial implications of policy decisions and instruments feature prominently and are quantifiable, increases in importance and is also accepted by the Government. This has a drastic effect. Appropriate examples are *inter alia* the elimination of cross-subsidization of transport costs, compensation for services rendered in the government sector and discontinuance of the bread and the maize subsidies.

According to research done in the USA (Barnhart, 1989:389-403) on the effect of macro-economic policy findings on commodity prices, strong support exists for the policy expectancy hypothesis but not for the inflation psychosis developed in South Africa. Superficial observations indicate the inflation expectancy hypothesis to enjoy considerable local support. In fact, it is generally accepted that the obstinacy of the inflation rate to decrease more rapidly can be ascribed to inflation psychosis. Allegedly the inflation expectancy hypothesis is accepted, because the fiscal and monetary authorities - for a variety of reasons - were unable to synchronize or to reach their set objectives. This resulted in the perception that the Government is not serious in its combat against inflation; consequently the market participants continuously made upward adjustments in their inflation expectancies and invested in commodities and other physical assets.

3. Agricultural policy factors

Overseas research (Orazem *et al*, 1990:837-846) on the attitude of the farmers regarding agricultural policy preferences. It was found that the financial circumstances of a farmer and the size of his enterprise, profoundly influence his opinion on agricultural policy; as well as also his farming experience, type of farming and education. In many cases the degree of support of a given policy is in agreement with the expectancy of how the policy can be influential to the farmer's profit. The attitude of the farmers towards agricultural policy is thus largely determined by the theory of personal-interest. Consequently it is of the utmost importance to the policy-maker in general, and the agricultural policy-maker in particular, that the farmer's interpretation of the policy will enable him to make his administrative decisions according to this theory. The individual farmer's administrative decisions within the policy framework, should be able to lead to the improvement of effectiveness as far as the production and marketing of his producers are concerned.

Control Boards, who have a determining influence on the marketing of agricultural products and who have the interest of the individual farmer at heart, come into being under the Marketing Act, 1968 (Act No 59 of 1968). Due to this Act the Minister of Agriculture has specific responsibilities towards the farmers (not only as individuals, but also collectively), the taxpayers, the consumers and the total economy, which he cannot elude.

Thus the Minister and/or his delegate must see to it that the regulations of the Marketing Act as such, as well as the scheme regulations, are correctly applied. It is true that many of the basic causes which led to the promulgation of the Marketing Act in 1937 still exist (Hattingh, 1990). The acceptance of a policy to develop a freer marketing system is, however, an important change which has to be taken into consideration when

implementing the Act. Consequently existing schemes must be evaluated against this background because it is the rationale of the economic policy for such a system to result in more efficient marketing and consequently also in more effective market oriented production.

In the aforementioned evaluation of the schemes it is necessary for the Minister to identify and spell out certain generally accepted economic norms. The reason for this is to prevent *ad hoc* actions and the forming of wrong perceptions. One such a norm is to put the question if the future ruling price of a controlled product on the market place, which is fixed according to specific underlying principles, will ensure the market to be cleared in the light of the present supply and demand situation.

A second norm is that the price regulations which must be supported or guaranteed by a stabilization fund, are indeed affordable for the Control Board's existing fund, without the necessity of increasing levies excessively in the same year or in the following year, and it should also convey the correct price signal for producers.

A third norm or set of norms which bear direct relation to production and marketing efficiency, is to challenge the Control Boards with questions, *inter al* such as - are certain principles, for example, comparative advantage of various production regions, taken into consideration by their scheme; is the full exploitation of market differentiation directly returnable to the farming level and, are the opportunity and social cost taken into consideration in the application of the schemes.

A fourth norm is that the Minister of Agriculture does not administer a Control Board's scheme or take decisions on their behalf. He contemplates their decisions in the light of these norms and questions referred to and he then either approves or rejects their decisions.

A fifth set of norms is those which deal with international agreements with South Africa. The two most familiar are the General Agreement on Tariffs and Trade (GATT) and the Customs Union Agreement (CUA). (Gravelet-Blondin, 1990). A gross similarity between GATT and the CUA is that in both cases all parties have rights and commitments and both represent agreements between governments. In some instances in agriculture though, it was not applied in this context. In future the principles of CUA will at least have to be adhered to more closely.

The Uruguay Round of GATT is scheduled for completion in December of this year. Agriculture remains an integral part of the negotiations. South Africa is a contracting party to the GATT and a participant in the current round of negotiations.

Although much dissension as regards agriculture still remains, it is inconceivable that the majority of countries will allow a lack of consensus in agriculture to place the whole Round, and by implication the GATT and the entire multilateral trading system, in jeopardy. Even the EED, one of the major protagonists in the agricultural battle, will have to face the question whether the freedom to subsidize a sector that contributes less than 3 per cent of Europe's GDP, is worth forgoing agreement in other much more important sectors such as the service sector. The fact that several countries have repeatedly indicated that agreement in the agricultural negotiations is vital to the success of the Round, only serves to underscore this point.

An agreement in agriculture can thus be expected in Brussels in December. The agreement will in all probability be based on the following four interrelated areas:

- o Internal support
- o Border protection
- o Export competition
- o Sanitary and phytosanitary barriers

The overall aim is minimizing the distortion in international agricultural trade and increasing the market orientation of agriculture.

A brief comment on each area.

Internal support - the aim is to quantify the level of support given to agriculture and then to encourage countries to commit themselves to a reduction in that level.

Border protection - the aim is to remove all forms of border protection except tariffs, by way of converting existing measures into tariffs (the so-called process of tariffication). The reduction of tariffs already in place and the binding thereof will also be encouraged.

Export competition - the aim is to quantify the amount of export subsidies paid on agricultural products and to encourage countries to commit themselves to a reduction in the total level of subsidization.

Sanitary and phytosanitary barriers - the removal of unnecessary barriers to trade.

The actual implementation of the commitments in these areas will obviously be part of the negotiation, but will probably extend into the next 3 to 4 years. Although presently classified in the GATT as a developed country, South Africa's developing needs, also in terms of its responsibility towards the CUA will need to be considered in the level of commitments made.

Reël het die produsentepryse van landbouprodukte die afgelope dekade gedaal in vergelyking met insetpryse. Hierdie daling in produsentepryse was egter nie voldoende om die groeiende bevolking per kapita beter te voed as 'n dekade gelede nie. Die uitdaging om die lewenskwaliteit van die bevolking te verhoog, lê primêr in 'n verbetering in die voeding- en kledingvlak van die bevolking per kapita. Dit is die uitdaging waaraan landbou in die negentigs sal moet voldoen.

In die voorgenoemde proses van normtoepassing, -identifisering en vraagstelling moet ons onthou ons leef in 'n onvolmaakte wêreld; om in die rigting van die ideale wêreld te beweeg, is gevolglik tans net so belangrik as om die ideale te bereik. Die landbou-ekonomiese *cum narser/denker* kan in die proses 'n groot bydrae maak.

Natuurlik word nie beweer dat die voorafgaande prosesse die enigste metode is om doeltreffendheid in die landbou te verhoog nie. Die vernouing van die kennistoepassingsgaping en die verbetering van tegnologie kan ook byvoorbeeld baie daartoe bydra.

Die vernouing van die gaping is gewoonlik 'n proses waaroor daar al baie navorsing gedoen en geskryf is. So word bereken dat ten minste 30 jaar nodig kan wees om die volle impak van openbare sektornavorsing op landbouproduksie te benut. Hierdie tydsloering is na benadering driekeer so lank as 'n vergelykbare situasie in die nie-landbousektor (Pardy & Craig, 1989:9-19).

Ter illustrasie van die gaping se effek is daar byvoorbeeld geleentheid gesê dat as net ongeveer 20 per sent van die bestaande kennis in die vrugtebedryf toegepas sou word, vrugteproduksie met soveel as 50 per sent verhoog kan word (Bredell, 1989). 'n Beskuldiging vinger van onvermoë kan

natuurlik nie sonder meer na daardie departemente en dissiplines wat verantwoordelik is vir kennisoordraging gewys word nie.

Die Suid-Afrikaanse Vereniging vir Landbouvoortligting het al meer as een kongres aan hierdie problematiek gewy (vgl S A Vereniging vir Landbouvoortligting, 1987). Die Departement van Landbou-ontwikkeling is deeglik bewus daarvan en is onder andere deurlopend besig met navorsing om 'n beter struktuur en metodes te ontwikkel om kennisoordrag te versnel of te verbeter (Van der Merwe, 1988:106-114; Departement van Landbou-ontwikkeling, 1990).

Gesien vanuit die oogpunt van die geheel Suid-Afrika en die ontwikkelingsbehoefte van verskillende gemeenskappe op verskillende ontwikkelingsvlakke, is die oplossing van die kennisgaping nie enkelvoudig nie. Net soos die multidissiplinêre karakter van die probleem, moet die navorsingspanne ook multidissiplinêr wees. Die strategie of strategieë op die operasionele vlak om die kennisgaping te oorbrug, sal verskil ten opsigte van die nie-kommersiële en die kommersiële landbou (Blignaut, 1989). Een rede hiervoor is dat die aanvaarding en toepassing van nuwe tegnologie in beide die kommersiële en nie-kommersiële landbou met risiko gepaard gaan (Blignaut, 1981:89-104); risiko's wat nie versoenbaar in karakter en inslag vir die twee groepe is nie. Die aanvaarding van 'n gewysigde boerderypraktyk kan byvoorbeeld vir die een groep beteken om kulturele praktyke op te gee, terwyl dit vir 'n ander groep 'n blote finansiële besluit is - elk met sy eiesoortige risiko's. 'n Gemeenskaplike faktor is egter dat die ekonomie en die ekonomiese gemeenskap besig is om vir almal sodanig te verander - ons sal moet verander - dat dieselfde of ten minste soortgelyke faktore die individuele ondernemers se besluite behoort te beïnvloed. Dit is logies dat beide die aard en uitkoms van hierdie besluite onderling sal verskil, maar dit word in dieselfde ekonomiese dampkring geneem.

Die verhoging van doeltreffendheid in die landbou is dus veelvlakkig, maar dig verweef. In hierdie weefproses van navorsing en toepassing, vanaf die ontwerp tot plaasvlak tot by landboubeleidvorming en -toepassing, kan die rol van die landbou-ekonomiese nie misken word nie. Soms word die landbou-ekonomiese deur sy natuurwetenskaplike kollegas gesien as 'n kswasiboekboer. Die landbou-ekonomiese word dikwels nie in sy moderne idioom as 'n wetenskaplike wat die mees ingewikkelde landboustelsels wiskundig kan modelleer, erken nie. In die hoedanigheid is hy in staat om die vereenselwiging tussen verskillende landbouvakdisiplines en die ekonomie te weeg te bring. Om as sodanig aanvaar te word moet u, as landbou-ekonomiese, uself die vraag vra of u nie dalk u dissipline in 'n waas van geheimsinnigheid omhul nie. U opleiding en navorsing moet ook relevant bly en deur die klinklare oordrag daarvan pertinent om aandag meeding.

4. Samevattend

In die voorafgaande is gepoog om aan te dui dat die beleidsmaker nie verkeerde persepsies tot stand moet laat kom nie - dit sal ondoeltreffende beleidvoering tot gevolg hê. Ook is gepoog om sekere norme by wyse van voorbeelde te identifiseer en te bepaal wat nodig is by die trek van beleidsriglyne. U kan in die proses, soos in die verlede, behulpsaam wees deur die norme te verfyn, nuwes te identifiseer en die koste daarvan te bereken, sou daar nie aan voldoen word nie. Alternatiewe werkwyses om tekortkominge bloot te lê en te ondervang, moet egter ook deur u gemodelleer word. Dit is allerbelangrik sodat landboubeleid gepas geformuleer kan word om die langtermyn lewensvatbaarheid van die landbou bekostigbaar te bevorder en sodat die natuurlike hulpbronne van die land oor die lang termyn ('sustainable') ontgin kan word ten bate van die lewensgehalte van die totale bevolking van Suid-Afrika.

Vir ons in die Departement van Landbou, lê die volgende woorde van Jesaja ten grondslag van ons werketiek:

'Daar sal 'n koning kom wat reg sal regeer en amptenare wat reg sal laat geskied. Hulle sal elkeen soos 'n skerm teen die wind, soos 'n skuiling teen die stortreën wees, soos strome water in 'n dor land, soos die skaduwee van 'n groot rots in 'n kaal wêreld (Jesaja 32:1-2).

Dankie vir u aandag en mag u 'n vrugbare konferensie hou.

References

- BARNHART, SW. (1989). The effects of macro-economic announcements on commodity prices. *American Journal of Agricultural Economics*, Vol 71, No 2:389-403.
- BLIGNAUT, CS. (1989). Landboufinansiering in die ekonomies minder ontwikkelende land. *Ontwikkelingstudies Suider-Afrika*, Vol 4, No 1:89-104.
- BLIGNAUT, CS. (1989). Die haalbaarheid van risiko kwantifisering in beleidsontwikkeling en -toepassing. LEVSA-konferensie, Bloemfontein.
- BREDEL, G. (1990). Mededeling. Departement van Landbou-ontwikkeling, Pretoria.
- DE KLERK, FW (STAATSPRESIDENT). (1990). Toespraak tydens die Landbouspitsberaad, Pretoria.
- DEPARTEMENT VAN LANDBOU-ONTWIKKELING. (1990). Uitgangspunte vir landbouegnologie-oordraging by toekomstige landboubediening in die Departement: 'n Verslag, Pretoria.
- GRAVELET-BLONDIN, RM. (1990). Departement van Landbou, Direktoraat Bemarking.
- HATTING, HS. (1990). Opening van die Noordelike Melkprodusente-vereniging se Sesde Jaarkongres, Warmbad.
- KASSIER, WE en KLEYNHANS, TE. (1990). Die risiko van irrelevansie genoodsaak 'n alternatiewe paradigma vir die Suid-Afrikaanse Landbou-ekonomies. *Agrekon*, Vol 29, No 1:30-33.
- MONKE, EA and SR PEARSON. (1989). The policy analysis matrix for agricultural development. Cornell University Press:4-7.
- RAZEM, PF, DM OTTO and MA EDELMAN. (1990). An analysis of farmers' agricultural policy preferences. *American Journal of Agricultural Economics*, Vol 71, No 4:837-846.
- PARDEY, PG and B CRAIG. (1989). Casual relationships between public sector agricultural research expenditures and output. *American Journal of Agricultural Economics*, Vol 71, No 4:9-19.
- PORTER, ME. (1990). The competitive advantage of nations. Billing and Sons Ltd, Worcester, GB.
- SEN, SR. (1976). Decision-making and agriculture. Proceedings of the International Conference of Agriculture: Sixteenth Conference.
- SA VERENIGING VAN LANDBOUVOORLIGTING. (1987). Handeling van konferensie. Departement Agrariese Voorligting, Universiteit Pretoria.
- VAN DER MERWE, FJ. (1988). Van navorsing tot praktyk - oorblik van die kloof deur bydraes van die navorser. SA Vereniging van Landbouvoorligting; Handeling van Konferensie, Seepunt: 106-114.
- VARIYAM, JN, JL JORDAN and JE EPPERSON. (1990). Preferences of citizens for agricultural policies: Evidence from a national survey. *American Journal of Agricultural Economics*, Vol 72, No 2:257-365.