



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.*

AGRICULTURAL TRADE AND MARKETING POLICY: FUTURE DIRECTIONS

Jan A Groenewald

Department of Agricultural Economics, University of Pretoria, Pretoria

Abstract

South Africa needs both rapid economic growth and improved equitability. Gross interference in economic and political life has engendered discrimination, inequity, misallocation of resources and sluggish growth. World megatrends and characteristics of winner nations suggest large changes in marketing and trade policies. Market failures render government involvement attractive when viewed in isolation, but government and bureaucratic failures are often even more serious. Future policy must be directed at the interrelated goals of individual freedom, economic efficiency, equitability and adjustment to economic change. Centrally directed systems have been unable to achieve this. A market-related approach is needed with an outwardlooking emphasis.

Samevatting

Landbouhandels- en bemarkingsbeleid: Toekomstige rigtings

Suid-Afrika het beide snelle ekonomiese groei en verbeterde billikheid nodig. Groot inmenging in die ekonomiese en politieke lewe het diskriminasie, onbillikheid, wanallokasie van bronne en traie groei meegebring. Wêreldwye megatendense en die eienskappe van wenner-nasies suggesteer dat groot veranderings in bemarkings- en handelsbeleide moet plaasvind. Markmislukkinge maak regeringsinmenging aantreklik wanneer dit geïsoleerd beskou word, maar regerings- en burokratiese mislukkinge is dikwels ernstiger. Toekomstige beleid moet op die interverwante doelwitte van individuele vryheid, ekonomiese doeltreffendheid, billikheid en aanpassing by ekonomiese verandering toegespits word. Sentraalgeleide sisteme was nie in staat om dit te bereik nie. 'n Markverwante benadering met 'n uitwaartse nadruk is nodig.

1. Introduction

South Africa's future requirements will create such challenges to agricultural trade and marketing policies as possibly have never been the case before. A restructuring of society, of the economic system and of the political system will be undertaken, hopefully with the simultaneous aims to replace old inequities, old inefficiencies and old centres of ineffectiveness by something better.

This must necessarily involve movements toward increased growth in welfare and improved distribution of the fruits of economic growth. These different aspects are all of vital importance. The Anglo American Scenario Group has, for example, estimated that in the light of South Africa's rapid growth in population, a sustained growth rate of approximately 10 per cent per annum will be needed to supply enough job opportunities (Sunter, 1991). Then also, the gross inequities of the past will certainly not be acceptable to the majority of South Africans. In his keynote address, Jerry Eckert correctly emphasized the necessity of redistribution through jobs.

In a country such as South Africa, the performance of agriculture will inevitably affect the general economic and social performance to a vital degree. The challenge is to design such policies - including agricultural trade and marketing policies - that will enable the sector to render its optimal contribution. It is for this reason that one has to make a brief analysis of the status quo, followed by a brief look at important developments which will influence the economic and social environment of agricultural trade and marketing, and then ultimately to point at what should be the most advantageous directions for policy.

2. The status quo

Government intervention in agricultural marketing and trade has had severe distorting effects on South African agriculture. On the output side, market and price regulation have in many cases led to chronic surpluses at prices at which markets could not be cleared. Intervention, particularly ill adjusted price policy, has moreover led to misallocation of resources. One example is the expansion of grain farming in areas ecologically ill-suited for such farming - for example, summer grains in

Western Transvaal and Western Free State and winter grains in the South Western Districts of the Cape Province. Interference in the flow of livestock to the market has rendered it more difficult for livestock farmers to destock in times of drought, and have - as did the expansion of grain farming activities - contributed to natural resource degradation. More examples of ill-conceived and ill-executed marketing policies could be mentioned if time and space permitted. These should, however, suffice as examples of part of the problematics South Africa finds herself in.

Governmental trade and industrial policy has aggravated the deleterious effects of pricing and marketing policy. The drive toward industrial protection has increased costs to export oriented industries both within and without agriculture and therefore reduced their ability to compete on local and foreign markets. It also contributed to structural inflation and necessitated the government to intervene even further by using tax and other incentives for exports (Groenewald, 1985; Kantor, 1988). Since most of these protected industries have been capital intensive, this policy also gave rise to serious misallocations of capital - one of South Africa's scarcest resources - and it also prevented capital from having the optimal job creation effect in an economy with a shortage of job opportunities.

Agricultural trade and marketing policy has moreover for long been designed mainly to serve the interests of the white commercial farming sector, often with the implicit or explicit exclusion of (mainly black) subsistence and smallholder farmers. It thus contributed to, and aggravated the dual nature of agricultural production (Kassier and Groenewald, 1990; Van Rooyen, 1990). Since it has been amply demonstrated that the lower level of productivity in smallholder subsistence agriculture cannot be ascribed to irrational economic behaviour (Van Rooyen, 1990; Van Rooyen *et al*, 1987), marketing policy stands convicted on the charge of having materially contributed to rural poverty. It has also directly contributed to the travails of poorer urban groups: The almost inevitable trait of market regulation to equate, automatically implies discrimination in a very diverse society. South African marketing policy has not taken into account the existence of dualism on the demand and consumption side (Groenewald, 1987). A redirection of agricultural and marketing policies is needed; nothing has yet

happened to change or soften the views of the present author (Groenewald, 1986) and others (eg. Nieuwoudt, 1986) that the existing policies have been harmful both in conception and execution - although it has to be conceded that a larger degree of realism has become evident in some agricultural industries and that some marketing schemes have lately been subjected to critical investigation.

Guidance for direction of change should be provided by an analysis of local and foreign events, economic (and other) logic and, ultimately, by an all too scarce resource - common sense.

3. Important events affecting agriculture internationally

It goes without saying that rapidity of events has been breathtaking since 1989: Disintegration of the Comecon, the discreditation of Marxist and communist dogma in large parts of the world and locally, the complete collapse of the intellectual foundations of apartheid. As with some other countries, South Africa has to emerge after shedding a particular ideology, tainted with a particular breed of socialism and to move in such a direction as to improve productivity, equitability and human welfare.

Breathtaking as the rapidity of events was, they were neither unpredictable nor unpredicted. Drucker (1980) predicted, based on productivity and demographic trends (with the approximately 60% of its population being Asiatic, but with Asiatics holding virtually no top positions in government, the Communist Party, in industry or the military), that communist ideology would not have the answers for the USSR's internal problems. It had to collapse. The same was true with respect to apartheid in South Africa. Another interesting analysis was John Naisbitt's Megatrends (1984). The megatrends identified by him which are important for purposes of this paper, are the following:

- (i) The highly developed nations of the world are changing from industrial to information societies, and this trend is irreversible; these countries cannot be reindustrialized. They are now the centres of know-how, and this is a major product to be sold to other industrializing societies.
- (ii) The days of successful, virtually isolated national economies are gone; the move has been from national economies to a world economy. And roles have been changing in this economy, with the NIC's (Newly Industrialized Countries - eg. Singapore, Taiwan and South Korea) taking the lead in many fields which had traditionally been the province of the more highly developed economies. Success of the NIC's arose largely from their export orientation, based on comparative advantage.

Schuh (1985) pointed at world-wide dramatic increases in dependence on world trade, the development of a well-integrated international capital market and floating exchange rates (which may cause "stabilizing" monetary action to be a source of instability). Drucker (1986) also points out that primary product movements have become uncoupled from those of industry and that international capital movements have become a multifold of the value of international goods traffic.

In such an environment, of course, domestic agricultural price policies become increasingly ineffective and expensive. The point has been reached where even neither the USA nor the EEC can afford it much longer. Other countries such as South Africa can afford it even less.

- (iii) The prevailing tendency in business is to move away from short-term expediency to long-range planning. The Japanese were probably the first to do so, and have therefore been able to outperform the rest of the world. As a result, repeated short term contingency actions by agricultural policy planners - eg. control boards or government departments - will become increasingly ineffective and disruptive.
- (iv) A fourth megatrend - which has been dramatically illustrated by very recent events in the Soviet Union - is one from centralization to decentralization. This pertains to politics as well as economics or business - and those who resist this trend will eventually end on the scrap heap.
- (v) Another allied megatrend has been the substitution of self-help for institutional help - in other words, a decline in dependence on government institutions and increasing pressure for deregulation. This has been accompanied by an entrepreneurial explosion in the U.S.A. coupled with self-employment, small business and a shift of collective thinking to "What is good for small business is good for America" (Naisbitt, 1984).

In South Africa, the growth of the so-called "informal" sector is a similar trend. This sector has proven itself to be highly innovative, flexible and capable of rapid growth (Kantor, 1988; Sunter, 1990). Some degree of deregulation is obviously needed for development of the informal sector. Relaxation of regulations pertaining to hawking, for example, rendered the proliferation of informal hawkers of fresh products possible - and their growth is an indication of effective public demand
- (vi) A trend from representative to participative democracy has been evident in many parts of the world. This means that those whose lives are affected by a decision want to be part of the process of formulating that decision. This once again points at the decentralization and self-help megatrends. In reality, the political left and right are dead or dying; all the real action is being generated by a radical centre.
- (vii) There is a mega movement away from hierarchies to networks; hierarchies have been unable to solve societal problems, and the public's belief in hierarchies has taken a nosedive (This does not mean that bureaucratic hierarchies abdicate voluntarily - but economic efficiency and participative democracy will eventually and inevitably force them out).

The agricultural trade scene should be evaluated against this background. The trade scene has been severely disrupted by the protectionist agricultural policies of especially the three real economic power houses of the world - Japan, the EEC and the U.S.A. Eventually the high cost of disruption stirred the GATT into action with the U.S.A. and CAIRNS group of countries strongly advocating rapid reduction in and abolishment of some types of agricultural subsidization and support. The EEC has resisted these proposals, and by the end of 1990 the Uruguay Round seemed destined for failure. However, the cost of failure is likely to be so high that compromise appears to be likely (De Zeeuw, 1991). If this happens, signatories will have to drop or change domestic support measures which may be trade distorting, border protection measures (eg. tariff duties, state trading and quantitative import control) and export subsidies. Different countries or country groups will be differently affected (Mc Clathy and Warley, 1991; Saeki 1991).

South Africa is vitally dependent on export markets for a large part of her agricultural earnings; in the decade of 1980 - 1989, approximately 25 per cent of field crops and 34 per cent of hor-

gricultural crops were involved (Van Zyl and Van Rooyen, 1990). South Africa is simultaneously a small actor and therefore a price-taker on the international scene. The outcome is that South Africa will have to monitor GATT developments closely and abide by the rules. Doing the opposite will clearly be foolish. It is however doubtful whether, in the light of the financial hardships suffered by many commercial farmers and problems in commercializing subsistence agriculture, South Africa can afford large unilateral decisions to reduce protection of agriculture. This does not however, mean that the nature of support measures will not need change irrespective of GATT decisions. New GATT rules will moreover probably forbid some procedures currently used in South Africa. Some support measures have also induced inefficiency and misallocation of resources.

The nature of the world economy is also very important. The highly developed countries of the world are the key actors with approximately 15 per cent of the world population and 68 per cent of world income. It forms a triad of the U.S.A., Western Europe and Japan (Sunter, 1987). Consumption trends and trade conduct by the triad are vitally important for the whole world.

Sunter (1987) compiled a profile of winners on the international development scene. Countries classified as "winners" exhibit six common characteristics:

- (i) They have high levels of education.
- (ii) They have a sound work ethic, stimulated by a high level of education and good family relationships. This means that migrational labour has a negative influence on potential. Low taxes and the absence of corruption are also of vital importance for work ethic. South Africa's high tax rates clearly militate against sound work ethic.
- (iii) Mobilization of capital is needed. This involves savings (and thus a positive real rate of interest and a low inflation rate) and a capital market which will efficiently allocate capital to the uses yielding the highest returns.
- (iv) Winners have dual logic economies in which both large and small firms (including the informal sector) operate in symbiosis with each other.
- (v) Social unity is another characteristic to which South Africa, given the racial mix of the population and the country's history, must aspire.
- (vi) Success countries are outward-looking and participate actively in international trade. At least some trade liberalization is needed for this purpose together with the development of comparative advantage. Inward-looking economies pine away and die. In an econometric study involving eleven Asian and African countries, the relative level of exports was found to be a critical determinant of GNP (Calkins et al, 1991).

An outward looking approach will depend on a well developed vision, good information, cultivation of directed unique knowledge and skills, appropriate technology, fast entry into triad markets and a willingness and ability to enter into affiliations, particularly with the knowledge-exporting triad countries.

Against this background, the recent decision by the Department of Agricultural Economics and Marketing to recall the overseas agricultural economic attaches cannot be regarded otherwise than a large, unwise error and retrogressive step.

4. Extent and nature of government involvement

As stated by Pasour (1990), there are only two ways of coordinating economic activity - the market and central direction. There can, however, also be mixed modes. While most Non-Marxian economists recognise the merits of price and profit signals to allocate resources and determine output mixes, much attention is also given to the concept of market failure. Market failures fall into three categories (Monke and Pearson, 1991).

- (i) Imperfect competition, in which monopolistic or oligopolistic conditions give rise to inefficiencies and inequities.
- (ii) Externalities, eg. pollution, public goods (eg. transport and communications infrastructure), lack of information and high transaction costs (See also Aronson, 1981).
- (iii) Institutional market failures. In this case, markets are inadequately developed or non-existent. The inadequacies of markets and institutions serving South African subsistence farmers are a case in point.

The market failure thesis provides a strong incentive for government involvement and in many cases, parastatals may indeed - at least temporarily - be the most viable form of providing the necessary services of for approaching the goals for society. However, as will be shown later, parastatals often outlive their usefulness or prove to be ineffective and inefficient, even at their inception.

The most plausible arguments for external trade interference are fourfold (Koester, 1991):

- (i) Unstable import or export parity prices, particularly when exchange rates are unstable.
- (ii) Landlocked countries often encounter wide margins between import and export parity prices.
- (iii) Some countries aim at perfect self-sufficiency in some products, sometimes food. Export potentials may not be used because of insecure export markets or high transaction costs. The so-called "strategic" industry argument is often used and/or abused in this respect.
- (iv) The need to produce public goods may also be involved - eg. by using export taxation.

However, government failure is at least as common as market failure - the results of government involvement are often not what was desired and did not achieve the visions used to promote the concept of government involvement. Many governments, particularly in Africa, mistrust private traders and support monopolistic parastatals in the trade of agricultural commodities. However, there is evidence that the parastatals have in some African countries caused marketing margins to be higher than in other developing countries (Koester 1991; Ahmed, 1988). In Cameroon, for example, the parastatals have clearly failed to promote efficiency, and have in the process retarded development. The main reasons were (Ntangsi, 1991):

- (i) The use of parastatals for political patronage.
- (ii) Their direct and indirect contributions to the crisis in public finance, partially due to the large subsidies needed by them.
- (iii) Their burden to the economy through their high level of indebtedness and poor debt servicing performance.

- (iv) Their high cost structure, coupled to monopolistic conditions engendered by them.

It is important to note that the record has worldwide shown public monopolies not to be superior to private monopolies in terms of efficiency, quality of services and service to the public demands (for more detail, see Groenewald, 1986 and 1981). A major problem in a parastatal monopoly is that management becomes a bureaucratic entity with a compelling incentive to overregulate and to do it inefficiently. They have a vested interest to render the private sector inefficient and thereby increase the attractiveness of parastatals (Benson and Faminow, 1986; Benson and Greenhut, 1986). They also suffer from an inability to curtail the proliferation of expenses, and have often been governed by rentseeking groups. Parastatals have, moreover, often been a fertile seedbed for corruption, thereby affecting business and work ethic negatively and undermining economic performance.

The South African economy can provide numerous example of such parastatal business behaviour. It also appears that ventures under their control are often disproportionately favoured by various policies. The South African tea industry which is largely run by parastatals is, for example, protected by import controls, import tariffs and simultaneously receive subsidized credit through the IDC.

Returns to scale are often also mentioned as a reason for the granting of monopoly powers. In South Africa, it has at one stage, approximately two decades ago, led to destruction of bananas by the Banana Board. The recent action of destroying ostrich carcasses by a protected cooperative monopoly is an example of how a private group, vested with statutory monopoly powers, can discriminate against the interest of producers and consumers. In a country where some people have to contend with food shortages, no ethical justification for such behaviour can be found.

Returning to returns to scale, the benefits are often or usually not as expected. A survey of literature on this subject (Groenewald, 1991) has shown returns to scale to be a function of quality of management. It does not exist with poor management.

To conclude this paragraph, the salient point is that market failure does provide a rationale for government involvement. However, the record shows that the assumed benefits of government involvement are typically more imagined than real.

5. Proposed future directions in policy

In our consideration of future policy directions, we should concentrate, given the background already provided, on a few interrelated things: The concepts of individual freedom, economic efficiency, equitability and adjustment to the economic environment.

"It is absurd to imagine that - after many years of restricted choices in education, careers, job opportunities, and places of residence- the people of Southern Africa would settle for an economic system that offers fewer choices than the present system" (Nkuhlu, 1988). Three points must be considered (Nkuhlu, 1988):

- (i) Economic freedom is an essential part of personal freedom; the person can take responsibility for his destiny rather than to rely on the government, government officials and politicians.
- (ii) Economic freedom provides a better climate for innovativeness.
- (iii) Economic freedom and political freedom are inseparable concepts.

In the long run, rising levels of living can be achieved only by economic growth and better distribution of its advantages- through larger employment, personal development and through these two, to better remuneration. The objection of the disadvantaged black population appears not to be against a market-based economy, but against racial capitalism (Nkuhlu, 1988). This obviously does not imply that the status quo is acceptable. People want to experience a visible improvement in their personal position. Results in other parts of the world have shown that for the majority of the populace, this is not achieved in centrally directed economic systems - irrespective whether the system is Marxist-Leninist or one of democratic socialism. Four main reasons are (Nkuhlu, 1988):

- (i) The daunting logistics of managing such a system.
- (ii) The loss of individual freedom.
- (iii) Practical problems of nationalisation . Is it to be done through expropriation - which entails excommunication by the international community - or by state purchase at market related prices? Full compensation provides very little, if any social gain.
- (iv) The inability to attract capital through foreign investment or private savings.

The state should, however, not divorce herself from economic life or agriculture. In addition to the obvious needs to protect the community against criminal activity and to provide a sound basis for commercial activity through appropriate legislation in regard to contracts, etc., the state has some vital roles to fulfil:

- (i) Protection of farmers against violent short-run fluctuations through appropriate, but not excessive stabilization measures. Neither should the state endeavour to maintain prices at levels other than equilibrium prices which clear markets. This has been a costly exercise.
- (ii) Protection against private and public monopolies.
- (iii) Protection against the effects of actions of foreign governments, eg. subsidized export dumping or import restrictions.
- (iv) Information, in addition to that privately generated.
- (v) Social services, with a large degree of emphasis on research and education - two functions which have been shown to be major contributors to growth and equity (Alves et al, 1991; Guillaumont, 1991; Ruttan, 1982).
- (vi) Stimulation of equity-promotion through labour legislation, prevention of discrimination and appropriate - but not excessive - affirmative action.
- (vii) Stimulation of forward and backward linkages.

The future success of agriculture - as indeed of the whole economy - will depend on how we adjust to the megatrends. Emphasis should, in particular, be placed on decentralization of decision making and economic activity, democratization, promotion of private capital formation and an outward trend. The latter will involve value addition where comparative advantages are evident. What should South Africa export: Wool, or textiles? Maize, or broilers? Cattle hides, or shoes? This also implies partnerships involving know-how with the information economies of the triad.

Then also, agriculture should serve her real markets - markets with diverse, dualistic needs - both local and foreign.

This all implies changed governmental activity regarding agriculture. Initiative must be promoted, not controlled or stifled. This implies a smaller total government involvement. Every facet of interference should be evaluated objectively and repeatedly as to who will gain, who will lose and how much. Gains and losses must become visible. Much deregulation is needed, and also privatization, but at the same time the pitfalls of privatization - such as monopoly behaviour, neglect of social responsibilities and creaming (Groenewald, 1991) should be avoided.

Gradualism is always vitally important in any policy change. Precipitative action must always be avoided. As in medicine, addition to economic and social drugs needs time to be cured. The point is also that government should promote, not control development.

Besides the necessity of financial discipline and sound macro-economic policies, the seven-pronged approach as proposed by the World Bank (1989) is indicated:

- (i) A bigger role for the private sector.
- (ii) Policies which will allow prices to reflect supply and demand.
- (iii) Development and maintenance of rural infrastructure, involving local communities.
- (iv) Appropriate technology.
- (v) Sound environmental policies.
- (vi) Programs to assist women as farmers and traders.
- (vii) More secure and efficient land tenure systems.

The five points concerning economic reform as stressed by the President of the IMS, are of equal importance (Camdessus, 1990).

- (i) Attempts to find a "third way" between central planning and a market economy have not been successful.
- (ii) Piece-meal approaches are not successful; the elements of an economic system are interrelated. Therefore, prices should be freed as far as possible, and this will involve both anti-monopoly action and a freer system of wage determination.
- (iii) Strong financial discipline is needed.
- (iv) It is not known how long it will take reforms to elicit supply responses.
- (v) Firm macro-economic policies are needed.

6. Conclusion

The future of agriculture and, indeed society as a whole will depend, inter alia, on sound marketing and trade policies. The one guiding, central observation in this sense was supplied by T.W. Schulz (1982):

"No government which has abolished markets has been successful in modernizing agriculture".

References

AHMED, R. (1988). Pricing principles and public intervention in domestic markets. In Mellor, JW and Ahmed, R(Eds), Agricultural price policies for developing countries. Baltimore: Johns Hopkins University Press.

ALVES, E, DE FARO, C and CONTINI, E. (1991). Government and agricultural development. 21st International Conference of Agricultural Economists, Tokyo.

ARONSON, PH. (1981). American government: Strategy and choice. Cambridge: Winthrop Publishers.

BENSON, BH and FAMINOW, MD. (1986). Regulatory transfer in Canadian/American agriculture: The case of supply management. The Cato Journal, Vol. 6, No 1: 371-294.

BENSON, BH and GREENHUT, ML. (1986). Interest groups, bureaucrats and antitrust: an explanation of the antitrust paradox. In: Grieson, R.E. (Ed), Antitrust and regulation. Lexington, Mass: Lexington Books.

CALKINS, P, LARIVIÉNE, S and MARTIN, F. (1991). Does Africa really lack international competitiveness? Comparisons between Africa and Asia. 21st International Conference of Agricultural Economists, Tokyo.

CAMDESSUS, H. (1990). Breathtaking speed of economic reform in Eastern Europe. IMF Survey, Vol 19, No 9:130-133.

DE ZEEUW, A. (1991). Implications of the GATT negotiations on agriculture. 21st International Conference of Agricultural Economists, Tokyo.

DRUCKER, PF. (1980). Managing in turbulent times. New York: Harper and Row.

DRUCKER, PF. (1986). The changed world economy. Economic impact, No 56:6-13.

GROENEWALD, JA. (1991). Returns to size and structure of agriculture: A suggested interpretation. Development Southern Africa, Vol. 8:329 - 342.

GROENEWALD, JA. (1991). Scope for and limitations to deregulation and privatization of South African agricultural services. Agrekon, Vol. 30:99-105.

GROENEWALD, JA. (1987). South African food resources for the future. Development Southern Africa, Vol 4:199-206.

GROENEWALD, JA. (1986). The performance of past food, agricultural and trade policies. Implications for the future. Agrekon, Vol 25, No 2:53-58.

GROENEWALD, JA. (1985). The South African agriculture and inflation phenomena. Agrekon, Vol 24, No 1:30-36.

GUILLAUMONT, P. (1991). Politique d'ajustement et développement agricole. 21st International Conference of Agricultural Economists, Tokyo.

KANTOR, B. (1988). Economic change. In: Van Vuuren, DJ, Wichahn, NE, Rhodie, NJ and Wiechers, M (Editors), South Africa: The challenge of reform. Pinetown: Owen Burgess Publishers.

KASSIER, WE and GROENEWALD, JA. (1990). The agricultural economy of South Africa. IAAE-AGRECONA Inter conference Symposium, Swakopmund, Namibia.

KOESTER, U. (1991). The efficiency of agricultural markets in directing agricultural development. 21st International Conference of Agricultural Economists, Tokyo.

MC CLATHY, D and WARLEY, TK. (1991). Agricultural and trade policy reform with or without the Uruguay Round: Implications for agricultural trade. 21st International Conference of Agricultural Economists, Tokyo.

MONKE, E and PEARSON, S. (1991). Evaluating policy choices in developing countries: the policy analysis matrix. 21st International Conference of Agricultural Economists, Tokyo.

NAISBITT, J. (1984). Megatrends. London and Sydney: Futura Books.

NIEUWOUT, WL. (1986). Agricultural commodity price analysis. Policy options for the future. Agrekon, Vol 25, No 2:38-41.

NKUHLU, WL. (1988). Evaluation of capitalism and socialism as models for economic modernisation in Southern Africa. In: Van Vuuren, DJ, et al (Eds), South Africa: The challenge of reform. Pinetown: Owen Burgess Publishers.

NTANGSI, J. (1991). Agricultural policy and structural adjustment in Cameroon. 21st International Conference of Agricultural Economists, Tokyo.

PASOUR, EC Jr. (1990). Agriculture and the state: Market processes and bureaucracy. *Agrekon*, Vol 29:235-242.

RUTTAN, VW. (1982). Agricultural research policy. Minneapolis: University of Minnesota Press.

SAEKI, N. (1991). Development of trade in agricultural products and border adjustments in agriculture. In: Kawano, S. and Fujitani, C. (Editors) Agriculture and agricultural policy in Japan. Tokyo: University of Tokyo Press.

SCHUH, GE. (1985). The international capital market as a source of instability in international commodity markets. In: Maunder, A and Renborg, U (Eds), Agriculture in a turbulent world economy. Aldershot: Gower Publishing Company.

SCHULTZ, TW. (1982). In: Hill, LD (Ed), Role of government in a market economy. New York: Mc Graw-Hill.

SUNTER, C. (1991). Lecture given at University of Pretoria.

SUNTER, C. (1987). The world and South Africa in the nineties. Cape Town: Human and Rousseau and Tafelberg.

VAN ROOYEN, CJ. (1990). Agricultural restructuring in Southern Africa: The contribution of the developing agricultural sector. *Agrekon*, Vol 29, No 1:3-10.

VAN ROOYEN, CJ, VINK, N and CHRISTODOULOU, NT. (1987). Access to the agricultural market for small farmers in Southern Africa. *Development Southern Africa*, Vol 4:207-223.

VAN ZYL, J and VAN ROOYEN, CJ. (1990). Agricultural production in South Africa: An overview. IDASA Rural Land Workshop.

WORLD BANK (1989). Long-term strategy for Sub-Saharan Africa. *IMF Survey*, Vol 18, No 23:369, 380-383.