ISSN 0970-9274
JOURNAL OF HUMAN ECOLOGY
International Interdisciplinary Journal of Man-Environment Relationship

J Hum Ecol, 59(1): 29-38 (2017)
DOI: 10.1080/09709274.2017.1348551

Agricultural Trade, Policy Complementarities and Poverty: The Role of Agricultural Trade and Policy Complementarities in Poverty Reduction in South Africa

Moses H. Lubinga

National Agricultural Marketing Council, Block A, 4th Floor, Meintjiesplein Building, 536 Francis Baard Street, Arcadia, Pretoria, Private Bag X935, Pretoria 0001, South Africa
E-mail: <moseslubinga@yahoo.co.uk>, <Hlubinga@namc.co.za>

KEYWORDS Access to Credit. End Use Category. Export Performance. Global Value Chains. Two-stage Least Squares Estimator

ABSTRACT This paper set out to answer the question as to whether South Africa's growth in agricultural export performance was associated with poverty reduction during the period 1996-2014. The paper evaluated the effects of export intensity and policy complementarities on poverty levels using agricultural data, disaggregated on the basis of end use category. Relative poverty was used as a proxy for poverty while export intensity was interrelated with access to credit, level of education and governance systems as proxies for policy complementarities. A Two-Stage Least Squares estimator was used to control the causal relationship between exports and poverty. The researcher found that exports and imports of household consumables, good governance, education and increased access to credit significantly reduce poverty levels. It is recommended that people's education levels be enhanced, people's confidence in government institutions be increased, and the financial sector's scope and depth be extended. Furthermore, imports of final consumption goods not produced in sufficient quantities (or at all) in South Africa should be promoted.