Index

ad valorem wharfage 150
African National Congress, free market policy 182-3
Aghion, P. 42
Agricultural Marketing Council 61
Agricultural Policy, White Paper 57
Agricultural Products Marketing Act 61-2
Agriculture 25, 51-63, 230
imports 207
Anglo American 177, 178
apartheid reform 13-14
and employment 8, 12
and mining industry 90
Armitage, R.M. 62
assets, banks 170-72
Backeberg, G.R. 62
balance of payments 215-28, 231
impact of sanctions 17-18
bank assurance 167, 183-4
bank holding companies 169
banks
assets 170-72
commercial 168-70
disinvestment 166
liabilities 172-4
merchant 174-5
Bantustan policy 10, 12
Barclays Bank 169, 170
Bell, T. 115
Bhorat, H. 119
Black
employment 12
empowerment firms 168
trade unions 13
see also apartheid reform, racial differences
blocked rand system 228
Board of Executors (BOE) 167-8, 188
borrowing 225-6
boycotts, see sanctions
Brenner, R. 121-2, 125-6, 128
Britain, trade with 204, 213
Britton, A. 33
building societies 166, 175-6
Burrows, J.R. 10
Business Bank 189
capital
account 215-18, 225-7
flight 16-17
investment, mines 70-72
and labour substitution, agriculture 52-3
markets 190-91
mining houses 93-5
capitalist enterprise restriction 232
cargo, shipping 144-51, 161
cash reserve requirement 33
Chamber of Mines 81
charging see costs
chemicals sector investment 104, 106
clearing banks see commercial banks
coal mining 77-8, 84, 86
commercial banks 168-70, 185-7
commodities trade 206-12
commodity cycles, impact on mining companies 95-6
commodity price boom, and manufacturing industry 103-9
competition, and financial institutions 188-9
competitiveness, global 28
customer price index 26-8
consumption expenditure 39
container traffic 146-50
costs
rail services 154
road use 160
Crafts, N. 41
credit cards 176
Croker, C. 14
current account 215-18, 220-25

235
The decline of the South African economy

customs union 23
De Beers 76-7
De Klerk, M. 53
De Kock Commission 34, 56, 170, 175-6
debt, foreign 16, 111, 225-6
DeLong, B. 128
demand, minerals 95-6
demutualization, financial institutions 166-7
deposits, banks 172-3
deregulation, agriculture 56-8
derivatives trading 192
developing countries, growth decline 114
diamond mining 76-7, 88
department of capitalization 71
disinvestment 14-18
Dos Santos, T. 38
demand, minerals 95-6
demand, downstream durable goods sector 113-14
Drucker, P. 184
Du Toit, J. 44
dual exchange rate system 36, 228
demand, durable goods sector 113-14
Durban, port traffic 146, 149-50
easterly, W. 114, 122, 124
economic decline 10-18, 109-11
economic growth 7-10, 41-5
economic policy, balance of payments 227-8
education expenditure 41, 43
electrification of rail network 152-3
employment 8, 10, 40-41
agriculture 52-3
and apartheid 8
equal opportunities 13
manufacturing sector 101, 119-21
mining 72-4, 91-3, 97
see also labour market; labour migration
environmental performance, mining industry 92-3
European Union trade relations 23
exchange controls 227-8, 232
exchange rate 2, 17-18, 36-7, 103
and exports 222

see also foreign exchange expenditure

effects of commodity price boom 106-7
government 39, 43
export-orientated industrialization 110-12
export-orientated stagnation 113-14
export promotion policies 198, 206
exports 116-18, 136, 142, 197-8
coal 78, 86
commodities 207, 210-12
and commodity price boom 103-4
destinations 204-6, 218-20
gold 220
manufactured goods 102, 105, 111-12, 137
merchandise 220-23
minerals 89-90, 91
external trade 195-214
falling rate of profit 121-2
FDI 21
finance houses, mining 75-6
finance, insurance, real estate and business services sector, workforce 119-20
financial sanctions 16-18
financial sector 165-93, 231
Findlay, R. 127
FIRE sector, workforce 119-20
First National Bank 169, 185
fiscal policy 32, 38-45, 48
and international reforms 32
reform 45-7
food production in the homelands 53-4
foreign capital 20-21, 225-7
foreign debt 16, 111, 225-6
foreign direct investment 20-21
foreign exchange constrained growth 115-19
liberalization 21
rate see exchange rate
Freeman, P. 158
freight transport 143-61, 231
maritime 144-51, 161
rail 151-7
road 157-61
Friedman, M. 232
Index

Index 235

Page 3

gambling 25
gDP growth 8, 100-103 mining contribution 68-70, 82-4, 97 GEAR (Growth, Employment and Redistribution) 20, 45-7 General Export Incentive Scheme 111 geographical distribution of trade 198-206, 218-20 Gerschenkron, A. 99 Global Competitiveness Report 22, 28 globalization, impact on financial sector 185 Goedhuys, D.W. 36 gold demand 95 exports 220 mining 4, 74-6, 84 contribution to GDP 68-70 market capitalization 71 price 74-6, 84, 95 Gordon, R.J. 124-5 government expenditure 39 Great Britain, trade 213 gross domestic fixed capital formation 106-7, 135 gross domestic investment 25-6 mining contribution 70, 94-5 gross domestic saving 25-6 Growth, Employment and Redistribution (GEAR) 20, 45-7 hire purchase banks 176-7 Holloway Commission 198 homelands, food production 53-4 Horwood, O.P.F. 10 human capital, mining 92 human quality index 41 IMF loans 225 import liberalization 111 import substitution 117, 206 manufacturing industry 100-102 motor vehicle industry 107, 109 imports 196-7 commodities 206-7, 208-9 geographical distribution 198-204 merchandise 223-4 income inequality 22, 42-4 income tax 39 industrial structure 10, 12 industrialization 99-102 inflation 4-5, 26-8, 34, 35 targeting 57-8 information technology industry 26 and manufacturing industry 123 infrastructure investment 44 innovation, as future for financial services 184 institutional restructuring, agriculture 60-61 interest expenditure 39 interest rate controls 34-5 international trade see trade investment 26 gold mining 94-5 manufacturing 104, 106 IT see information technology Jenkins, C. 15-16 jobs see employment Johannesburg Stock Exchange 168, 179-82, 190-91 Jorgenson, D.W. 123 Kassier Committe 58, 61 Korea, South, manufacturing sector 102 Kruger rand 70 labour see employment labour market 21-3 reform 63 labour migration, effect on agriculture 56 Land Affairs, Department of 59, 60 Laubscher, R. 186 legislative change, mining 96 liabilities, banks 172-4 liberalization agriculture 56-8 trade 228 Liberty Group 189 Liberty Life 178, 183-4 life assurance companies 177-9, 189-90 demutualization 166-7 liquid asset requirement 33-4 loans agriculture 56-7
<table>
<thead>
<tr>
<th>Topic</th>
<th>Page Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMF 225-6</td>
<td>189</td>
</tr>
<tr>
<td>small businesses, by banking sector</td>
<td>127</td>
</tr>
<tr>
<td>Lundahl, M.</td>
<td>57</td>
</tr>
<tr>
<td>macroeconomic policy 20-21, 31-48</td>
<td>189</td>
</tr>
<tr>
<td>maize subsidies</td>
<td>127</td>
</tr>
<tr>
<td>Manuel, T.</td>
<td>227</td>
</tr>
<tr>
<td>manufactured exports 111-12, 137</td>
<td>34</td>
</tr>
<tr>
<td>manufacturing industry 99-128</td>
<td>35</td>
</tr>
<tr>
<td>effect of commodity price boom 103-9</td>
<td>228</td>
</tr>
<tr>
<td>manufacturing value-added (MVA) 100-103</td>
<td>45</td>
</tr>
<tr>
<td>marine charges</td>
<td>166</td>
</tr>
<tr>
<td>maritime transport 144-51, 161</td>
<td>170</td>
</tr>
<tr>
<td>market capitalization</td>
<td>177</td>
</tr>
<tr>
<td>Johannesburg Stock Exchange</td>
<td>178</td>
</tr>
<tr>
<td>marketing, agriculture 53-4, 61-2</td>
<td>183</td>
</tr>
<tr>
<td>Marrakech Agreement 62, 228</td>
<td>183</td>
</tr>
<tr>
<td>Mayer, J.</td>
<td>34</td>
</tr>
<tr>
<td>Mboweni, T.</td>
<td>35</td>
</tr>
<tr>
<td>Meijer, J.H.</td>
<td>36</td>
</tr>
<tr>
<td>merchandise</td>
<td>37</td>
</tr>
<tr>
<td>exports 117, 220-23</td>
<td>38</td>
</tr>
<tr>
<td>imports 223-4</td>
<td>39</td>
</tr>
<tr>
<td>merchant banks 170-71, 174-5</td>
<td>40</td>
</tr>
<tr>
<td>mergers, financial sector 166-7, 183</td>
<td>41</td>
</tr>
<tr>
<td>militarism</td>
<td>42</td>
</tr>
<tr>
<td>Minerals Act 92-3</td>
<td>43</td>
</tr>
<tr>
<td>Mines Health and Safety Act 92</td>
<td>44</td>
</tr>
<tr>
<td>mining industry 68-97, 230</td>
<td>45</td>
</tr>
<tr>
<td>contribution to GDP 82-4, 97</td>
<td>46</td>
</tr>
<tr>
<td>finance houses 75-6, 93-5</td>
<td>47</td>
</tr>
<tr>
<td>job losses</td>
<td>48</td>
</tr>
<tr>
<td>Mohr, P. S.</td>
<td>49</td>
</tr>
<tr>
<td>Moll, P.G.</td>
<td>50</td>
</tr>
<tr>
<td>monetary aggregate control 35</td>
<td>51</td>
</tr>
<tr>
<td>monetary policy 33-8, 47-8</td>
<td>52</td>
</tr>
<tr>
<td>and international reforms 32</td>
<td>53</td>
</tr>
<tr>
<td>reforms 45-7</td>
<td>54</td>
</tr>
<tr>
<td>Motor Carrier Transportation Act 158</td>
<td>55</td>
</tr>
<tr>
<td>motor vehicle industry 107, 109</td>
<td>56</td>
</tr>
<tr>
<td>Moving South Africa 143-4, 150, 157, 160, 161</td>
<td>57</td>
</tr>
<tr>
<td>MVA (manufacturing value-added) 100-103</td>
<td>58</td>
</tr>
<tr>
<td>National Environmental Management Act 93</td>
<td>59</td>
</tr>
<tr>
<td>natural resource abundance, and manufacturing 126-8</td>
<td>170</td>
</tr>
<tr>
<td>Nedbank 168-9, 170, 177</td>
<td>177</td>
</tr>
<tr>
<td>Nedcor 186</td>
<td>178</td>
</tr>
<tr>
<td>Nordhaus, W.D.</td>
<td>179</td>
</tr>
<tr>
<td>OECD recession, effect on South African economy 109</td>
<td>180</td>
</tr>
<tr>
<td>Old Mutual 167, 183, 189</td>
<td>181</td>
</tr>
<tr>
<td>one big wave, productivity theory 124-5</td>
<td>182</td>
</tr>
<tr>
<td>openness of economy 218-20, 231-2</td>
<td>183</td>
</tr>
<tr>
<td>Options for Land Reform conference 59</td>
<td>184</td>
</tr>
<tr>
<td>palladium 87</td>
<td>185</td>
</tr>
<tr>
<td>per capita growth decline 114</td>
<td>186</td>
</tr>
<tr>
<td>Permanent Building Society 176</td>
<td>187</td>
</tr>
<tr>
<td>permits, road use 158</td>
<td>188</td>
</tr>
<tr>
<td>Petrick Commission 78</td>
<td>189</td>
</tr>
<tr>
<td>platinum</td>
<td>190</td>
</tr>
<tr>
<td>exports 207</td>
<td>191</td>
</tr>
<tr>
<td>production 79-80, 86-7</td>
<td>192</td>
</tr>
<tr>
<td>policy reforms 45-7</td>
<td>193</td>
</tr>
<tr>
<td>political change 12-14, 18-28</td>
<td>194</td>
</tr>
<tr>
<td>political economy and agriculture 51-6</td>
<td>195</td>
</tr>
<tr>
<td>population growth 2, 7-8</td>
<td>196</td>
</tr>
<tr>
<td>port traffic 144-51, 161</td>
<td>197</td>
</tr>
<tr>
<td>price stability see inflation</td>
<td>198</td>
</tr>
<tr>
<td>prices</td>
<td>199</td>
</tr>
<tr>
<td>coal 77-8</td>
<td>200</td>
</tr>
<tr>
<td>effect of commodity price boom 103</td>
<td>201</td>
</tr>
<tr>
<td>gold 74-6, 84, 220</td>
<td>202</td>
</tr>
<tr>
<td>pricing policy</td>
<td>203</td>
</tr>
<tr>
<td>rail transport 156</td>
<td>204</td>
</tr>
<tr>
<td>road use 160</td>
<td>205</td>
</tr>
<tr>
<td>Pritchett, L.</td>
<td>206</td>
</tr>
<tr>
<td>privatization 44-5</td>
<td>207</td>
</tr>
<tr>
<td>public expenditure 39, 43</td>
<td>208</td>
</tr>
<tr>
<td>quantitative restriction (QR) 111</td>
<td>209</td>
</tr>
<tr>
<td>racial differences</td>
<td>210</td>
</tr>
<tr>
<td>employment 12</td>
<td>211</td>
</tr>
<tr>
<td>mining 73</td>
<td>212</td>
</tr>
<tr>
<td>income 22-3, 43, 73-4</td>
<td>213</td>
</tr>
<tr>
<td>rail transport 151-7</td>
<td>214</td>
</tr>
<tr>
<td>competition with road transport 159, 161</td>
<td>215</td>
</tr>
<tr>
<td>Ramaphosa, C.</td>
<td>73</td>
</tr>
<tr>
<td>rand see exchange rate</td>
<td>74</td>
</tr>
</tbody>
</table>
Index

Rand Merchant Bank Holdings 167
real effective exchange rate (REER) 103
regional distribution of trade 23, 198–206, 218–20
relative prices, effect of commodity
price boom 103
repurchase-based auction system 37
Reserve Bank 37
Reynders Commission 110, 198, 221
rhodium 87
Richards Bay port traffic 144–6
Road Motor Competition Commission 158
road transport 157–61
Road Transport Act 158
Ros, J. 117
rural restructuring study, World Bank 59
SACU (Southern African Customs
Union) 23, 62–3
SADC (South African Development
Community) 63
Saldanha port traffic 144–5
sanctions 14–15
effect on economy 15–18, 201
Sanlam 178, 183, 189
savings 26
Schaling, E. 38
Schlesinger Organisation 176–7
sea transport 144–51, 161
service sector 125–6
services deficit 224–5
shipping transport 144–51, 161
skill shortage, manufacturing industry
117–21
skills-biased technical change 122–4
Slabbert, J. 186
Smit, B.W. 226
social infrastructure 24
soil conservation 54–5
South African Development Community
63
South Korea, manufacturing sector 102
Southern African Customs Union 23, 62–3
Stals, C. 37
Stanbic 185–6
Standard Bank 170, 183–4, 185–6, 189
Stanić 177
statistics, accuracy doubts 5
Stiroh, K.J. 123
Strydom, P.D.F. 34, 36
subsidies, agriculture 56–8
Sullivan Principles 13
taxation
diamond mines 88
effect on economy 3
Terreblanche, S.J. 51
trade
geographical distribution 198–206, 218–20
policy reform 62–3
relations 23
sanctions 18
unions 13, 14
mining 73
transport see freight transport
Trust Bank 168
unemployment 40–41
see also employment
Union Acceptances 174
unions see trade unions
unit trusts 191–2
unitary exchange rate system 36
United Building Society 176
United Kingdom, trade 213
United States
growth, effect on South Africa 128
manufacturing decline 125–6
sanctions 14
value-added growth, effect of
commodity price boom 106–7, 108
value-added tax 39
Van der Veen, G.D. 159
Van Zyl, J. 59
vehicle finance 176–7
Vink, N. 55, 56
Volkskas 166
wages, mining 72, 73–4
Water Act 62
waterfront charges 150
wealth management services 184
Westbank 176–7
Wheat Scheme 54
White schools, government spending 43
Williams, W. 10
The decline of the South African economy

Wood, A. 127, 128
work see employment
World Bank rural restructuring study 59
world economy slowdown, effect on 109-10
Wriston, W. 185
Zarenda, H. 198