

policies and experiences helps to elucidate what this really means on the ground. Overall, the publication is a valuable addition to the literature on poverty and hunger, problems demanding urgent domestic and global solutions.

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Trade, Exchange Rate And Agricultural Pricing Policies in Zambia, Doris J Jansen, World Bank Comparative Studies, The Political Economy of Agricultural Pricing Policy, World Bank, Washington DC, 1988 (276pp, no price given).

This incisive analysis of the impact of exchange rate and agricultural price policy will leave Zimbabwean readers with a surreal picture of what could happen here if patterns established before independence are allowed to continue unchecked. It will do the same for many other African readers.

The study is an important contribution to price policy analysis in Africa. It will be most useful to agricultural and macro economists in government departments and at universities as well as to donor communities. It shows how various econometric techniques can be used, even where the data are not available for traditional approaches. In particular an innovative approach to establishing the exchange rate is clearly defined. The study carries out empirical analyses of:

- the effects of direct and indirect intervention on relative prices and the combined impact on relative values added
- the effect of price intervention on agricultural output, consumers, foreign exchange, Government budget, sectoral resource transfers and income distribution.

As with any quantitative analysis in a developing country adequate data is not available and traditional estimation procedures are not always possible. The advantage of this study is that it uses simplified techniques and logical analysis to derive guesstimate data where necessary. It is possible that Zambian readers may not always agree with the assumptions upon which these are based, but, since the approaches used have been clearly outlined, alternative assumptions can be substituted and the results reassessed. It would seem, however, that the assumptions actually understate the situation.

The study found that direct producer price policy had taxed both cotton and maize but subsidised tobacco. However, once the indirect impact of the exchange rate policy was included in the calculation the effective rate of taxation (negative NRP) was 26% for virginia tobacco, 46% for cotton and 48% for maize over 18 years from 1966-1984. The taxation was actually increasing over time and in 1984 (despite the price policy reforms) the NRPs were - 40% for tobacco, - 73% for cotton and - 58% for maize (using a shadow exchange rate of K5/\$). The results for all the commodities are similar, with confectionery groundnuts being the most heavily taxed; and paddy rice, wheat and tobacco the least in most years. Maize meal consumers were subsidised at an average rate of 52% over the past ten years.

Estimating some elasticities, and using others from similar situations, a rough approximation of the impact on maize output was estimated to be a 58% reduction per annum (over the long term) with the effects increasing over time so that they were - 71% per annum during the 1976-84 period. The negative output effect was proportionately greater for subsidised fertiliser. Excluding the impact from the consumer subsidy, the impact on

foreign exchange earnings of the producer price taxes, fertiliser subsidy and exchange rate policies on maize imports and tobacco exports was an average of \$70 million per annum of 8% of merchandise exports.

Excluding inefficiency costs, the budgetary effects of price policy were estimated to be some K74 million per annum from 1970-84 (almost 10% of the government budget). These subsidy situations often constitute a large proportion of the budgetary allocation for 'agriculture'. Despite repeated determination to channel resources to agriculture and to diversify exports away from copper, only 6% of the budget is actually allocated to agriculture. Jansen points out that another problem is that whilst capital appropriations may have increased the recurrent budget has declined with per capita allocations decreasing significantly. She estimates that there has been a net transfer of resources out of agriculture of some 7% of GNP per annum. The study shows a deterioration in both rural and urban incomes despite the food subsidies for urban households. The average rural household avoided the negative impact of government pricing policy by reverting to subsistence production.

The study includes a comprehensive history of agricultural pricing policy and a normative assessment of the impact of administrative controls. As a study contributing to the literature on Zambian agriculture, this publication is essential reading. As a text to assist other countries utilising similar methodologies it would have to be used in conjunction with a policy analysis text (eg Monke and Pearson, 1989; or Timmer, Falcon and Pearson, 1983). It provides students and analysts with an excellent example of how to make the best use of available data to provide rough approximations where precise estimates are not feasible. As with all quantitative studies throughout the world, but especially in developing countries, the results are only as strong as the underlying assumptions. Jansen has a good knowledge and understanding of the basic relationships in the Zambian economy and has provided a useful analysis.

Reviewed by Kay Muir Leresche, Mutare, Zimbabwe

References

- Jansen Doris (Dodge) (1977) *Agricultural Policy and Performance in Zambia*, University of California, Berkeley.
 Monk Eric and Pearson Scott R (1989) *The Policy Analysis Matrix for Agricultural Development*, Cornell University Press, Ithaca.
 Timmer C Peter, Falcon Walter P and Pearson Scott R (1983) *Food Policy Analysis*, John Hopkins University Press, Washington.

Prisoners of Ritual An Odyssey into Female Genital Circumcision in Africa, Hanny Lightfoot-Klein, Harrington Park Press, New York, 1989 (306pp, US\$14.95)

The very title of this publication indicates the author's view of its subject, female circumcision, and it would indeed be difficult for anyone outside the cultures where it is practised to hold a supportive view of this custom. Nonetheless, Lightfoot-Klein manages to give a balanced, objective, sensitive and perceptive portrayal of this highly emotive issue.