VIEWPOINTS, PERSPECTIVES OR LETTERS TO THE EDITOR

Introduction to section

In line with international trends, the SAJEMS editorial board decided to introduce a section in the journal called: Viewpoints, perspectives or letters to the editor. We solicit submissions to this section that comprise novel concepts, ideas, or even a dialogue with either the editor or an author of an earlier paper either in SAJEMS or elsewhere. Controversial perspectives are even welcome, as long as they are presented in a constructive manner.

Submissions to this section are likely to be shorter than a conventional manuscript, varying from 1 page to approximately 2 500 words. Submissions, though not necessarily qualifying in terms of all the rigorous requirements of a fully fledged scientific contribution, will nonetheless have to be robust and well motivated, and should be of relevance to scientific discourse and humanity.

We therefore see this section as an opportunity for senior scholars to provide insight into specific issues or ideas that are unlikely, or not ready, to take the form of a full scientific manuscript. We also see this as an opportunity for students and young scholars to share their research results from a less daunting (and belligerent) platform. Also, as is the case in this issue, we would like to see interesting information and research results, which could spark further discussions, based on a small sample survey.

I would therefore wish to extend an invitation to all our readers to submit shorter, focused, robust and well-articulated views, perspectives, comments, letters or papers to this new section.

Yours truly,
James Blignaut
Editor: SAJEMS

A study on inflation credibility among students at the University of Pretoria

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Abstract

Following on five pilot studies on inflation credibility in South Africa aimed at the construction of inflation credibility barometers and a literature review of the international measurement of inflation perceptions, this paper reports the findings of a study on inflation credibility among 493 students at the University of Pretoria. Credibility barometers are reported for different genders, for Asians, blacks, coloureds and whites, and for students in different faculties. The main conclusions are that the inflation perceptions by the different genders in this study do not correspond with international experience in this regard; international use of inflation barometers will ensure comparability of inflation credibility; and that inflation-targeting countries should sample inflation credibility and calculate an inflation credibility barometer.

JEL E31, 52, 58

1
Introduction

There is nothing ambiguous about the conduct of monetary policy in countries targeting inflation, because the central banks in such countries adjust monetary policy to achieve their inflation targets. Owing to the forward-looking nature of such a policy and uncertainty about the achievement of their targets, central banks in inflation-targeting countries have generally adopted three measures of support for their policy frameworks (Rossouw, 2005: 295): inflation forecasting, explanation or escape clauses, and the measurement of inflation expectations. Broadly speaking, the first two measures fall within the sphere of control of the authorities, but inflation expectations are not within their immediate control (Mishkin, 2004: 419). Inflation expectations are formed over time by consistent policy application, and are monitored by means of inflation opinion surveys. In South Africa, the survey results are published bi-annually in the *Monetary Policy Review* (S. A. Reserve Bank, 2006: 30, 31).

Whereas the monitoring and measurement of inflation expectations have received considerable attention (see, for instance, Bryan & Ventaku, 2001a; De Wet, 2003; Kershoff & Smit, 2002; Mishkin, 2004; Saunders, 2003; Sveriges Riksbank, [S.a.]), the measurement of the public's perceptions of the credibility of inflation figures as an anchor for expectations has received little attention in related literature. This paper contributes to the existing literature by reporting on the use of inflation credibility barometers to measure inflation credibility in South Africa. An inflation credibility barometer measures out of 100 the degree of acceptance of inflation figures by respondents as an accurate reflection of price increases.

Section 2 of this paper provides an analysis of the salient features of the international measurement of inflation perceptions. Section 3 comprises an overview of the findings of five domestic pilot studies on inflation credibility.

Section 4, the main part of this paper, discusses the methodology for and findings of this study measuring inflation credibility among students at the University of Pretoria. Section 5 presents the conclusions and recommendations arising out of this study.

2
Review of literature on the measurement of inflation perceptions

A review of the literature revealed the measurement of inflation perceptions by the Swedish Riksbank (the central bank of Sweden), the European Union (EU), the Reserve Bank of New Zealand and the Federal Reserve Bank of Cleveland (Bechtold & Linz, 2005; Bryan & Ventaku, 2001b; Cigan, 2005; European Central Bank, 2005; Howard, 2005; Palmqvist & Stromberg, 2004; Reserve Bank of New Zealand, 2005). Mexico uses the international ISO 9001 and ISO 9002 certification to confirm the technical accuracy of the measurement of its inflation figures (Banco de Mexico, [S.a.]), rather than as a measurement of inflation perceptions, and is therefore not considered in this paper.

Despite further literature reviews, no other examples of the international measurement of inflation perceptions could be identified. Accordingly, the salient features of measuring inflation credibility or perceptions in Sweden, New Zealand and the European Union, and those used previously by the Federal Reserve Bank of Cleveland, are summarised in Table 1. The Federal Reserve Bank surveyed perceptions monthly up to April 2002 as part of a poll conducted by the Ohio State University for the *Columbus Dispatch* newspaper. When the newspaper decided not to renew the research contract with the university, the bank also concluded its survey (Bryan, 2006).

The literature review reveals considerable diversity in the approaches followed by the countries and jurisdictions, with two important implications for research on inflation credibility.

First, the measurement and reporting of inflation perceptions in different countries and jurisdictions cannot be compared internationally, owing to differences in the measurement techniques employed. Secondly, a broad research project measuring and reporting inflation perceptions for a country or region should provide for the separate reporting of the inflation perceptions of male and female respondents.

The literature reports higher inflation perceptions among female respondents than among male respondents. In this regard, Jonung (1981: 968) states that "…the inflation rates perceived by women should be more strongly influenced by food prices than the rates perceived by men. The difference between men and women apparently indicates that perceived rates are influenced by individual expenditure patterns". This view is supported by Del Giovane and Sabbatini (2005: 4) and by Brachinger, who states that the consumer "…will perceive inflation the more powerfully the more often she buys goods which have become significantly more expensive. In contrast, she will barely notice a reduction in the price of goods she rarely buys, or of goods which she acquires without explicitly purchasing them and whose price is deducted every month from her bank account … " (2005: 1).

In the case of the Federal Reserve Bank of Cleveland, the finding was that "…men and women hold very different views on the rate at which prices are changing" (Bryan & Ventaku, 2001b: 1). This concurs with the findings of Jonung (1981: 968) and Brachinger (2005: 1) on differences in perceived inflation between genders. However, in the case of Cleveland, women still perceived historic inflation as 1.9 percentage points higher than did men, even after adjustments to account for differences in education levels, income, age, race, education and income (Bryan & Ventaku, 2001b). The conclusion of Bryan and Ventaku (2001b) that the differences in inflation perceptions between genders cannot be explained differs considerably from those of Jonung (1981) and Brachinger (2005: 1) in respect of Sweden.

Table 1

Comparison of measures used for assessing inflation perceptions

	Cleveland	European Union	New Zealand	Sweden
Frequency of samples	Monthly*	Monthly	Quarterly	Monthly
Sample size	421**	21 000	1 000	2 100
Anonymity in sampling	Y	Y	Y	Y
Distinction between perceptions of genders	Y	N	N*****	Y
Measure perception of historic inflation rate	Y	Y	Y	Y
Calculate and publish a confidence interval	Y***	N****	Y******	N

*   The survey was conducted monthly for the period spanning August 1998 to April 2002.

**   The sample size varied a little, but it averaged 421 respondents per month.

***   The Federal Reserve Bank of Cleveland did not calculate or publish a confidence interval. However, based on information obtained from the bank (Bryan, 2006), a confidence interval could be calculated. The mean of the perceptions on inflation for the full sample was 5.**8**, with a standard deviation of 10.2 for the average sample size of 421. Using the formula $\bar{x} - 1.645 \dfrac{\sigma x}{\sqrt{n}} \leq \mu_x \leq \bar{x} - 1.645 \dfrac{\sigma x}{\sqrt{n}}$, this implies a confidence level of 90% for the population.

****   Confidence interval depends on individual sampling procedure, which differs across countries in the European area (Cigan, 2005).

*****   No distinction is made in terms of the measurement of perceptions according to gender in the survey process, but inflation perceptions are reported for various demographic groups, including gender (Campbell, 2006).

******   Confidence interval calculated but not published (Campbell, 2006).

Sources: Brachinger, 2005; Bryan, 2006; Bryan and Ventaku, 2001b; Campbell, 2006; Cigan, 2005; Jonung, 1981; Ribe, 2006.

The next section highlights the findings of five of the pilot studies on inflation credibility in South Africa.

3
Findings of five pilot studies on domestic inflation credibility

The research reported in Section 4 of this paper on students at the University of Pretoria was preceded by five pilot studies on inflation credibility. Salient features of four of the pilot studies were documented and reported in recent articles in the *South African Journal of Economics* (Rossouw & Joubert, 2005a), and in the *South African Journal of Economic and Management Studies* (Rossouw & Joubert, 2005b). The first four domestic pilot studies addressed and answered the questions posed in Table 2.

Table 2
Questions raised and answers obtained from the first four pilot studies on inflation
credibility in South Africa

Question raised	Answer obtained
Can an inflation credibility barometer be calculated?	An inflation credibility barometer can be calculated.
Do respondents generally accept inflation figures as accurate?	Respondents do not necessarily accept the inflation figures as accurate.
Do respondents have a clear understanding of the meaning and measurement of inflation, or is more information required?	Dissemination of information improves the understanding of inflation and increases the credibility of inflation figures.
What is the optimal scope of a questionnaire to be used in measuring inflation credibility?	A short questionnaire should be used for measuring inflation credibility.
Which particular measurement of inflation (CPI or CPIX) shows a higher degree of credibility?	Changes in the CPI have measured a higher reading on the inflation barometer and should be used for sampling inflation credibility

Sources: Rossouw and Joubert, 2005a; Rossouw and Joubert, 2005b

These first four pilot studies did not consider any possible gender differences in inflation credibility highlighted in international measurement of inflation perceptions. It was therefore decided to conduct a fifth pilot study, the results of which have not previously been published, in order to ascertain differences in the credibility of inflation between genders in South Africa. Moreover, given the composition of South Africa's population, a further aim was to ascertain differences in inflation credibility among Asians, blacks, coloureds and whites.

As this pilot study was conducted during the planning stage of the study among university students reported in the next section, an additional objective was to ascertain whether these respondents could be used as enumerators in the next study. Exposure as sample respondents would have provided them with insight into the use of the questionnaire, as it was used in the fifth pilot study and the study among university students.

Briefly stated, the findings of the fifth study were that inflation credibility differs between genders and among Asians, blacks, coloureds and whites. Moreover, as participants in the fifth pilot study experienced no difficulty in completing the questionnaire, they could be regarded as suitable for use as enumerators in the study among university students, reported in the next section.

4
Sampling inflation credibility among students at the University of Pretoria

In view of the selection of respondents (students at the University of Pretoria), it was necessary to obtain approval from the Ethics Committee of the Faculty of Economic and Management Sciences and the Dean of Student Affairs to conduct the study at the University of Pretoria.

Following the literature review on the measurement of inflation perceptions, and basing the approach on the results of the five pilot studies, the sampling of the credibility of the CPI was undertaken by means of a short questionnaire (attached as Annexure A). The objectives of this study were to ascertain:

- whether an inflation credibility barometer provides more user-friendly results than the measurement methodology followed in other countries and jurisdictions;

- whether respondents studying in different faculties demonstrate differences in their perceptions of the accuracy of the official rate of inflation;

- gender differences in inflation perceptions in South Africa; and

- differences in inflation perceptions by Asians, blacks, coloureds and whites in South Africa.

As respondents sampled in the fifth pilot study were used as unsupervised enumerators in this survey, enumerators could not be prevented from personally completing more than one or even all the questionnaires, which might cast some doubt on the validity of the results of this study. It was also impossible to ascertain whether respondents provided responses to more than one enumerator, which means that the response of one respondent might have been recorded and analysed more than once.

Responses from 497 respondents were submitted. However, the responses by four "respondents" were clearly photocopies of the same original, and were discarded for purposes of analysing this survey. Moreover, seven respondents preferred not to identify themselves as Asian, black, coloured or white. Their questionnaires were consequently discarded for purposes of calculating inflation credibility barometers, other than in respect of the University's faculties, highlighted in Table 5 below, and in the calculation of confidence intervals. The overall credibility barometer reads 52.7 out of a possible 100, as 256 respondents out of a sample of 486 accepted the CPI as an accurate indication of price increases. The details of the responses are highlighted in Table 3.

Table 3
Responses by Asians, blacks, coloureds and whites in South Africa

	Number of respondents	Barometer
Asian	54	53.7 (29/54)
Black	221	51.6 (114/221)
Coloured	32	56.3 (18/32)
White	179	53.1 (95/179)
Total	486	52.7 (256/486)

The barometer readings for Asians, blacks, coloureds and whites are broadly similar, ranging from 51.6 for blacks to 56.3 for coloureds, although this figure is based on a relatively small sample in the last instance. The details of the responses are highlighted in Table 4.

Contrary to findings in Sweden and by the Federal Reserve Bank of Cleveland, the inflation credibility barometer reading for female respondents is higher than that of male respondents: 54.3 for this group of female respondents, as compared with 51.0 for the male respondents. The barometer ranges from 45.5 at the lower end for coloured males and 61.9 for coloured females, albeit for relatively small samples in both cases.

Table 4
Distribution of inflation credibility barometers in sub-samples according to gender in terms of Asians, blacks, coloureds and whites

	Male			Female		
	Accurate	Not accurate	Total	Accurate	Not accurate	Total
Sub sample	123	118	241	133	112	245
Asian	20	15	35	9	10	19
Black	55	47	102	59	60	119

Coloured	5	6	11	13	8	21
White	43	50	93	52	34	86
	Credibility barometer			Credibility barometer		
Sub sample	51.0 (123/241)			54.3 (133/245)		
Asian	57.1 (20/35)			47.4 (9/19)		
Black	53.9 (55/102)			49.6 (59/119)		
Coloured	45.5 (5/11)			61.9 (13/21)		
White	46.2 (43/93)			60.5 (52/86)		

The barometer reflecting responses from the nine faculties at the University of Pretoria is summarised in Table 5. In this instance, the responses of the seven respondents who did not select an indication of Asian, black, coloured or white are included. The credibility barometers of these respondents show that the highest reading was obtained from theology students and the lowest reading from veterinary science students. However, the samples of students from these two faculties are so small that no conclusions can be drawn. In respect of larger samples (i.e. n > 30; see Wegner, 1993: 197) of respondents from specific faculties, the highest credibility is measured amongst students in the Faculty of Economic and Management Sciences and the lowest amongst law students. This finding confirms a positive relationship between knowledge and information and inflation credibility, insofar as it can be assumed that students studying in the fields of accounting, economics, finance and management sciences will be the best informed on inflation and the accuracy of its measurement.

The literature review showed that the Federal Reserve Bank of Cleveland reported inflation perceptions with a 90% confidence interval, based on the formula:

$$\bar{x} - 1,645 \frac{\sigma x}{\sqrt{n}} \leq \mu_x \leq \bar{x} - 1,645 \frac{\sigma x}{\sqrt{n}}$$

(Bryant, 2006).

The same confidence interval was calculated for the respondents in the broad sample.

Table 5
Inflation credibility barometer of CPI figures according to faculty,
based on acceptance of CPI figures by respondents

	Number of respondents			Barometer
	Accurate	Not accurate	Total	
Economic and Management Sciences	143	115	258	55.4
Education	14	8	22	63.6
Engineering, the Build Environment and Information Technology	33	36	69	47.8
Health Sciences	13	12	25	52.0
Humanities	5	7	12	41.7
Law	18	21	39	46.1
Natural and Agricultural Sciences	30	29	59	50.8
Theology	30	29	59	75.0
Veterinary Science	2	3	5	40.0
Total/weighted average	261	232	493	52.9

Sampling techniques aim at limiting errors in results when the opinions of a sample of a population are obtained. This is to ensure that the results reflect as closely as possible the opinions or views of the entire population (Wikipedia, [S.a.]), in this case students at the University of Pretoria. To this end, confidence intervals provide an estimate of the possible size of any error in sampling data, highlighting the degree or level of accuracy or confidence in the statistical estimates. Confidence intervals are dependent on:

- a value of a statistical estimate;
- the standard error (SE) of the measure; and
- the required size of the confidence interval (for example, a 90% confidence interval), implying that it can be declared with the relevant degree of certainty that the results obtained from the sample reflect the view of the population from which the sample was drawn.

For the purpose of calculating a 90% confidence interval, the following information was used:

number of observations
in the sample   (n)   493

number of successes   (x)   261

proportion   (p)   261 ÷ 493 = 0.529;
$\therefore$ q = 0.471

standard error   (SE) $\sqrt{\dfrac{0.529 \times 0.471}{493}}$
= 0.0224

normal probability
distribution   (z)   1.645 for a 90% confidence interval

The confidence interval at a level of 90% is calculated as $[0.529 - 1.645 (0.0224)] \leq \prod \leq [0.529 + 1.645 (0.0224)]$
$0.4922 \leq \prod \leq 0.5658$

This implies that there is a 90% probability that the percentage of students at the University of Pretoria who believe that the official rate of inflation is an accurate indication of price increases lies between 49.2% and 56.6%, which gives an inflation credibility reading of between 49.2 and 56.6.

The next section highlights the conclusions and recommendations.

5
Conclusions and recommendations

The first conclusion is that the inflation credibility barometer delivers more user-friendly results than those resulting from the approaches followed internationally, inasmuch as it (i) provides an immediate indication of the degree of acceptance of the accuracy of current inflation data; (ii) highlights any change in the degree of such acceptance over time at each occasion of measurement; (iii) is easily comprehended by the general public; and (iv) provides for international comparison of inflation credibility.

Secondly, this study reports a great difference in credibility among students in different faculties. As far as the faculties represented by larger samples (n > 30) are concerned, it has been confirmed that knowledge and information enhance the credibility of inflation figures.

The third conclusion is that inflation perceptions differ between genders, but the findings of Brashinger (2005), Bryan and Ventaku (2001 b) and Jonung (1981) that women attach less credibility to inflation figures than men do, was not confirmed by this study. On the contrary, the inflation credibility barometer for female respondents read 54.3, as opposed to a reading of 51.0 for male respondents. This sample was conducted among students, particularly female students, who are normally not responsible for purchasing food or other goods for larger households, but have spending patterns corresponding with those of their male counterparts. This finding casts doubt on the conclusion by Bryan and Ventaku that "…it does not appear that women have a higher perception of inflation than men because of the things they buy …" (2001b: 4), and supports Jonung's conclusion that "… women are responsible for the major share of the food purchases … (implying that) … they are more exposed to movements in food prices than men" (1981: 968). However, Jonung's statement covers surveys of genders with different spending

patterns, as opposed to the respondents with similar spending patterns, irrespective of gender, covered by this survey.

The last conclusion is that there are differences in the inflation perceptions by Asians, blacks, coloureds and whites in South Africa.

The first recommendation is that countries using inflation targets should consider measuring the credibility of their inflation figures by means of an inflation barometer serving as an early indication of any possible de-linking of inflation expectations from the current rate of inflation. This instrument is recommended on account of its accessibility for understanding and use. It would also be in the interests of international comparability, as opposed to the measurement tools currently deployed, the results of which cannot be compared among countries or jurisdictions.

The second recommendation is that countries following inflation-targeting policies should support their policy initiatives by means of communication strategies aimed at improving the general level of understanding of inflation and its measurement, seeing that this study records a positive link between knowledge, information and inflation credibility.

Endnote

The opinions and views expressed in this paper are those of the authors and do not necessarily represent those of either the Reserve Bank or of the universities.

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Annexure A

Questionnaire

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Participation in this questionnaire is voluntary and participants can withdraw at any time, in which case their data will be destroyed. Anonymity of participants is assured and information will be treated as confidential. Completion of the attached form will be considered to be your informed consent to participation in this project. The contents of this questionnaire must be kept absolutely anonymous. Do not write your name on this form.

This is a research project to establish the credibility of published official inflation figures.

Please answer the questions by making a cross [x] in the block of your choice

1.	**Gender**		Mark with a cross [x]
	Male	1	
	Female	2	
2.	**Preferred population group**		
	Asian	1	
	Black	2	
	Coloured	3	
	White	4	
3.	**Faculty**		
	Economic and Management Sciences	1	
	Education	2	
	Engineering, the Build Environment and Information Technology	3	
	Health Sciences	4	
	Humanities	5	
	Law	6	
	Natural and Agricultural Sciences	7	
	Theology	8	
	Veterinary Science	9	
4.	**South Africa's official rate of inflation (CPI) was 3,9 % in February 2006. Is this a true reflection of price increases?**		
	Yes	1	
	No	2	

SOUTH AFRICAN JOURNAL OF LABOUR RELATIONS (SAJLR)

CALL FOR PAPERS:

SPECIAL ISSUE ON: WORKPLACE DIVERSITY MANAGEMENT, ISSUES, CONTROVERSIES AND PRACTICES

GUEST EDITOR:

Stella M Nkomo (Graduate School of Business Leadership, Univ of South Africa)

This special issue of the SAJLR, an accredited journal, will explore specific workplace diversity management issues, controversies and practices. What have we learnt so far and what are the lessons to take forward in our practices? What is workplace diversity management and why does it matter? Are workplace diversity management practices effective or not? Can we "manage" workplace diversity, without being exclusive? Should workplace diversity be seen as mainstreaming marginal groups or perhaps as implicit assimilation?

While interested authors from any country are invited to submit their work for possible publication, Africa-related themes are especially encouraged in the context of the dire need to develop indigenous theory and understanding of people management in the African context. Both conceptual and empirical contributions are welcome. Interdisciplinary contributions as well as those employing varieties of methodological approaches are particularly welcome. Possible topics of interest, among many other possibilities, include but are not restricted to, the following:

- Comparative or in depth analyses of workplace diversity management – and the implication for organisation theory, especially employee relations, research and practice
- Critical analyses of the notion of diversity, and "sameness" and "otherness" through the lenses of specific theoretical models or theory. For instance postcolonial theories, critical discourse analysis, institutional ethnography, analyses of intersection of gender, race, class, ethnicity, sexuality etc and other contemporary theoretical tendencies
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- Evaluation of the effect of diversity management practices on individuals and organisations

Full paper submissions (not under review elsewhere) adhering to the SAJLR Editorial Policy and Guidelines, should be submitted via e-mail to louise@icon.co.za or booysae@unisa.ac.za in MS Word format by June 1, 2007. All submissions will be submitted to a rigorous double-blind peer review process with both the Journal Editor and Guest Editor acting as action editors, and final approval coming from the **Journal Editor, Prof Lize Booysen** (Graduate School of Business Leadership, Univ of South Africa).

SOUTH AFRICAN JOURNAL OF
ECONOMIC AND MANAGEMENT SCIENCES

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To be published in December 2007 with guest editors:
Prof Rashid Hassan and Prof Martin de Wit

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10–12 SEPTEMBER 2007, INDABA HOTEL, JOHANNESBURG

The Society invites the submission of papers for its biennial conference on 10–12 September 2007. There is no specific theme for the conference, and submissions in all fields of economics will be considered. Nevertheless, as a guideline for the majority of papers expected (on the basis of previous ESSA conferences), the organisers anticipate parallel sessions in areas such as macroeconomics, growth, development, political economy, money & banking, industry & services, trade & competition, trade & exchange rates, financial markets, labour, transport, health, human capital, resources, public policy & tax, infrastructure, poverty, economic history, social policy & demography, and methodology.

A maximum of two submissions per presenter will be permitted. Note that the total number of submissions accepted will be limited. Postgraduate students are encouraged to make submissions for presentation at a special postgraduate session.

Submissions must adhere to the following format:

- Name(s) of author(s)
- Affiliation
- Email
- Proposed title of paper
- JEL code most suited to the content of the paper
- Abstract (max 250 words).

Submissions must be made electronically to the Conference Programme Committee by **Monday 16 April 2007**.

Email address: essa2007@up.ac.za (phone: +27 12 420 3525)

Full text articles must be submitted electronically by **Wednesday 1 August 2007**.

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Eulogy: Roland Mirrilees

Roland Ian Mirrilees (18/4/52-06/01/07) was born and grew up in Pretoria where he attended the Rietondale Primary and Clapham High Schools. He was a bright student and participated actively in extra-mural activities, such as athletics. He also became a Springbok Boy Scout. In later years he participated in a number of marathons, including the JSE ultra-marathon between Johannesburg and Pretoria. Roland's love for the outdoors and nature permeated his whole professional career as well, touching many lives. Or, in the words of Robert Browning in his poem titled "Andea del Sarto": *Ah, but a man's reach should exceed his grasp.* Truly, Roland's life reached far beyond his grasp.

In 1974 Roland obtained his BCom degree. In 1976 he obtained his honours degree and in 1979 his MCom(Economics) with a thesis entitled "The systematisation of South African income tax reform". In 1983 he obtained his DCom(Economics), with a thesis entitled "A short-cut method for the provision of regional input-output tables in South Africa". All these degrees were obtained from UNISA.

His professional career started in 1970 as a computer programmer at the Department of Inland Revenue (today's SARS). In 1977 he joined UNISA. He could have pursued a distinguished career in academia as was illustrated by the rapidity he completed his master's and then his doctorate degrees, as well as his ability as a lecturer. He was promoted at a young age to the position of associate professor in the Department of Economics at UNISA. After completing his formal studies he started to concentrate on environmental economics and pursued it with a passion throughout his career. Roland developed the first post-graduate course in environmental economics at UNISA. He did not leave it at that, for soon he had a group of enthusiastic students taking his course and he inspired many of them to continue their studies in this field of economic specialisation. Proof of his success as a lecturer is the note by one of his former post-graduate students: "As an academic he was very different because he made sense --- not a common attribute amongst academics". This statement reflects his ability to explain difficult concepts to students and also to analyse real world problems with a unique insight. He had the ability to use the discipline to provide guidance to real world economic challenges. It is this ability that made him, among others, a very sought-after lecturer, consultant, advisor, discussant and project leader on applied economics. The administrative duties associated with an academic position, however, frustrated him. He wanted to give his full attention to the economic problems encountered in the world around him.

After his brief stay at UNISA he joined the Development Bank of Southern Africa in 1986 and in 1988 he started his career as freelance consultant to a variety of institutions such as the CSIR. He was subsequently appointed as consultant to and senior economist and project manager of Nathan Associates managing USAID-funded projects. While at Nathan his love and passion for environmental economics and capacity building shone through once again as he contributed significantly to the success of the Nelson Mandela Scholarship programme. From 2002 onward he took up his last position as Director of Econometrix Pty(Ltd), GreenGrowth Strategies CC and Environmental Offsets Investments Pty(Ltd). Roland's wide field of knowledge ranged from transport economics to public finance, but his passion was development economics, and especially environmental economics. He has contributed to and written more than 70
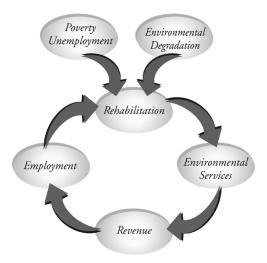
papers and reports on this issue. His very last consultancy report and challenge he tackled before his death was that of defining economic development and providing guidelines for the classification of economic development projects as well as a framework that would enable policy-makers to monitor and evaluate progress of these projects.

Roland can best be described as an applied economist with vision. This can clearly be seen from as early as his doctoral thesis that seeks a practical, shortcut and logic way to construct regional input-output tables. These regional input-output tables were the first for South Africa. The basic premise of input-output tables, namely that total economic output is the product of a system of inputs and that output can be altered by changing either the character and/or ratio of the inputs, stayed with him throughout his career. He, however, broadened the scope of the variables in the economic input-output relationship to also include environmental factors. Actually, the economic system can be considered a subset of the ecological system. It is this understanding at an early stage that led him to become the first person to introduce environmental economics to South Africa. He did so during the early 1980s, long before environmental issues were popularised through the Bruntland report (1987) and the Rio de Janeiro conference on sustainable development (1992). Roland also played a leading role in initiating and constructing the Forum for Economics and Environment, a web-based communication platform for economists and ecologists alike – a further testimony to the fact that he understood that both economic and ecological challenges can only be addressed through lateral, integrative and innovative thinking. Roland's ability to integrate and wordsmith ideas and visions gave rise to much of the work done within GreenGrowth Strategies CC, emphasising the fact that economic growth and environmental stewardship are not to be seen as contradictions in terms, but rather as mutually beneficial concepts. He was able to cement these disciplines together since he could integrate the different pieces into a consistent whole, which is a far more challenging exercise than to differentiate one's perception of the whole into its different pieces.

It is this capacity to think in an integrative and lateral way, supported lavishly by his writing skills and clear logical thinking, that allowed him to develop the notion that poverty and environmental degradation in rural South Africa should not be seen as insurmountable obstacles, but that they offer the opportunity for radical and constructive change. The vehicle for this radical change had become known now as ARISE, which stands for Africa's Rural Initiatives for Sustainable Environments, Roland's legacy. The ARISE figure (shown here) was developed by Roland to indicate that poverty/unemployment and environ-mental degradation, that are conventionally considered to be mutually self-reinforcing compounding the negative impacts of each other, can be turned around by selling the environmental services on offer through rehabilitation, creating revenue and employment opportunities. In such a way the investment in natural and social capital alike occurs spontaneously.

Not only does the term ARISE reflect Roland's large African vision, but also the hope he had for Africa to ARISE from adverse conditions. The term also reflects his willingness to serve and support other people so that they can ARISE and his deep desire to see all who suffer to ARISE. ARISE has been described briefly in a paper in the September issue of SAJEMS in 2006 (Jahed, M.; Mirrilees, R. & Modise, D., 2006: 393-400), facilitating the transition

from the second to the first economy in South Africa's rural areas. Roland was also the lead consultant in formulating a rural development strategy for the Sekhukhune district of the Limpopo province that integrated large-scale rural rehabilitation and economic upliftment. The Limpopo province has accepted these recommendations and implementation plans are being considered.

ARISE (www.arise.net.za) has been given flesh and meaning through Roland's involvement in Environmental Offsets Investments Pty(Ltd), spearheading South Africa's Working for Woodlands initiative through two pilot projects, one in Giyani and one in Port St Johns. Together these two pilots employ about 600 previously unemployed people, people who have been given the opportunity to ARISE, people, who because of Roland's persistence, were given

Max Döckel and James Blignaut

the opportunity to show that poverty and environmental degradation are not the end of the road for Africa's rural poor, but a new beginning. Roland worked on the ARISE idea tirelessly from as early 1999 till his death. The day before he died he articulated his dream as eloquently as ever, i.e. seeing thousands of people restoring ecosystems across southern Africa selling ecosystem goods and services to the world and building self-confidence and global recognition.

The two ARISE pilot projects are living monuments that testify to his vision, courage, persistence and insight. ARISE is his legacy for us to build on. It will be shown in the future that he was right. Economic development and prudent environmental management are not at loggerheads with one another. They can be allies.