

Inkatha spells out its vision to leading economists

Market-driven economy 'the key to future prosperity'

Inkatha Freedom Party President, Dr MG Buthelezi, set out the Party's standpoint on a future economic policy for South Africa in recent addresses to the World Economic Forum in Geneva and the Euromoney Conference in Cape Town.

Dr Buthelezi told the Geneva Forum – which included many influential political and business leaders – that the vast majority of South Africans of all races wanted an enterprise-driven economy.

He said they were correct to seek this, because no system devised by mankind could better translate South Africa's vast mineral and agricultural resources into processed goods than could a market-driven economy.

Present at the two-day Forum to hear Inkatha's re-dedication to free market principles were senior representatives of the

South African Government and the country's major political groups; government and trade representatives from the six front-line states; and senior executives from more than 150 of the world's biggest business and financial institutions, including the World Bank.

Dr Buthelezi said South Africa already had a substantially-developed economic infrastructure. It had developed financial controls and banking systems. The country also had very considerable reservoirs of managerial skills and technological innovations.

South Africa, therefore, had prospects of successfully employing the advantages foreign investment would bring, in a way which would be unparalleled across the whole of Africa, said Dr Buthelezi.

The demonstrated effect of a multi-party democracy and a vibrant, market-driven economy, both working for the benefit of the people, would be very considerable in the whole of Southern Africa.

What SA should aim for

Dr Buthelezi told the Euromoney Conference in Cape Town that South Africa's economic policy should be rooted in thinking which could flow from an examination of what there is today and in

"I believe in the end we will have to come to agree that there will be a mixed economy in South Africa. Business itself will require that this is so. How far we will have to go beyond the kind of mixed economy which, say, Germany is today, is difficult to envisage just now. It is that kind of mix I will aim for, with perhaps a mediating first five-year economic development programme..."

action needed to overcome the economic barriers the country faces.

Barriers have been created by:

- *Restrictive racial legislation;
- *Political boundaries drawn by race and ideology;

*Over-regulation of the economy imposed by too high a level of State intervention.

Apartheid was responsible for all these artificial barriers to economic growth. They can be legislated out of existence and then the country will have to face other real barriers which will have to be surmounted.

These include:

- *The unequal distribution of ownership of physical resources;
- *The unequal distribution of marketable skills;
- *The unequal access to land and capital markets;
- *The unequal access to markets for skills and products in the whole field of income-generating opportunities.

South Africa, said Dr Buthelezi, must urgently attend to:

- *Removing artificial barriers to entry and growth;
- *Establishing development and needs priorities;

"In negotiations we will be able to establish the politics in which it is not a have-haves context, not a we/they situation but a all-South African affair. We must bring black South Africans into centre-stage politics individually and in a step-by-step manner show that right political steps pay economic dividends for individuals..."

- *Plan, co-ordinate and implement fiscal policies to raise revenue for development;
- *Providing financial support to State

Departments and development agencies working to achieve development priorities.

*Planning, co-ordinating and implementing sympathetic monetary education and population development policies to support and reinforce the above efforts.

Dr Buthelezi added that it was only the politics of negotiation that would be able to bring the total reliance on the informal sector that millions are going to continue to have for a long time into the economic and political formulae that are going to be needed.

Something has to be done



"We may need a period in which the State can play out a role to assist in making manageable the land problem and the problem of re-distributing economic opportunity in such a way that it ends up re-distributing the wealth of the country without destroying the productive capacity of the economy."

Burning issues have to be faced in South Africa and one involves the land.

There is many million land-hungry mass of people in South Africa living in appalling squatter camps. The Inkatha Freedom Party believes they should be called "shatter camps" because they shatter dignity and decency. There are many more millions living in over-crowded black urban ghetoes we call townships.

Something has to be done about the land issue. Something has to be done about housing. That something must be done efficiently and it must be done decently. It can be done.

Dr Buthelezi says he believes that the land issue is soluable because there is enough space in South Africa.

"Look at Europe; look at Asia; look at North America and look at densities of population and then dare tell me that I am wrong that we do not have a land problem in South Africa - we have a people problem.

"In all things there must be sensible moderation if there is going to be morality.

Extremism goes with bad politics. We must work our way through the land problem and we must do it together. Somehow we have to make the transition. That transition actually depends more on whites than on blacks.

"The Group Areas Act must go now. It must go early on in the very first phases of the politics of negotiation. If the Group Areas Act goes, we will be taking a mighty step into a new free enterprise South Africa.

"If the State continues to intervene in the land issue there is only one way that intervention can go - towards a kind of Marxist philosophy in which private ownership is banished in favour of some kind of hypothetical right of the State to own all land.

"The land issue must be solved urgently and deliberately through private enterprise mechanisms. Taking and giving will become grabbing and thrusting if the free enterprise system fails. If we cannot tackle the land issue in the spirit of a free enterprise solution, all the land will be laid waste in scorched earth conflicts in which there will be no victors at all..."