

"An economic policy which puts South Africa first"

Inkatha's economic blueprint for the new South Africa



A warm greeting from Dr Buthelezi for Times Media Ltd Managing Director and Chief Executive, Mr Stephen Mulholland, who chaired a panel discussion at the forum (see page 21).

Photograph: Financial Mail

More than 160 leaders of South African industry and commerce attended an Inkatha/Business Leaders' forum at Johannesburg's Carlton Hotel in the week leading up to the

Annual General Conference. The forum was addressed by Inkatha President, Dr Mangosuthu Buthelezi, and a number of speakers

In his keynote speech, Dr Buthelezi outlined the new Inkatha's stance on economic issues – and how it would set about redressing the imbalances and injustices brought about by apartheid.

He said Inkatha would start out from present economic realities – using this as a basis for a policy which would go for maximum growth potential, while at the same time addressing the problems of wealth distribution and the elimination of endemic poverty.

But Inkatha would not be stampeded into

action because there was mass poverty and huge disparities in the relative benefits which Whites and Black received from the economy. These problems demanded sane and responsible responses.

Nor did Inkatha intend pursuing economic policies which had failed in the USSR and which were now lying in tatters in Eastern Europe. Inkatha would not move away from its basic assumption of the fundamental need for an enterprise-driven economy in South Africa.

Inkatha recognised that there were barriers to economic development which had been created by restrictive racial legislation; political boundaries drawn by race and ideology; and over-regulation of the economy imposed by too high a level of State intervention.

These artificial barriers to economic growth could be removed by legislation. But then the real barriers would have to be surmounted.

These included:

- The unequal distribution of ownership of

Tackling the real barriers to growth

physical resources

- The unequal distribution of marketable skills

- The unequal access to markets for skills and products in the whole field of income-generating opportunities.

But Dr Buthelezi warned that economic policy should not be made a political football. "It must be put above Party politics. Inkatha is determined to evolve an economic policy which puts South Africa first and puts South Africa above Inkatha's own Party political interests."

Enterprise-driven economy the key

While Inkatha would not avoid looking at the realities of the demand for wealth redistribution – and the redistribution of land in particular – it had to be guided by pragmatism. "We must accept that simply to take from the wealthy and give to the poor will end up being nothing other than the redistribution of poverty."

Instead, Dr Buthelezi emphasised, there needed to be a redistribution of economic opportunity. This had to come from a whole process of de-regulation and a medium or longer-term process, in which the provision of education and the imparting of training skills broadened opportunity for the individual. In tackling wealth distribution, the development of underdeveloped areas where there were concentrations of the poor had also to be maximised – along with the country's informal sector. Here, said Dr Buthelezi, de-regulation could pave the way for a whole range of support systems aimed at increasing productivity in – and marketing from – the informal sector.

How Government can play a role: "Consultation with business and labour"

Dr Buthelezi said the role of government must be to support the positive effects of free enterprise by:

- Removing artificial barriers to entry and growth
- Establishing development and needs priorities
- Planning, co-ordinating and implementing 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, educational and population development policies to support and re-inforce these efforts.

Inkatha accepted that there would have to

be Government intervention in some things. "But Inkatha believes that whatever intervention there is should not ride roughshod over market forces, and it should not be imposed willy-nilly on employer and employee alike." There would have to be detailed consultations with big business and labour organisations about what government intervention was necessary in the pursuit of commonly accepted national economic goals.

Need for Land Commission

The demand by Blacks for land reform was bound to be a thorny issue, given the reality that 13 percent of the population had rights to something like 80 percent of the land.

Dr Buthelezi said Inkatha's thinking on the land issue was guided by:

- The need to protect private ownership as a fundamental principle that is sacrificed at the expense of undermining an enterprise-driven economy.

- The need to retain freehold title as an ideal and as a strategy to work towards giving everybody a meaningful opportunity of owning land in freehold title.

- The need to keep land as productive as possible by making the ownership of non-residential land a privilege of those who can use it productively.

He believed a Land Commission would have to be established with the dual task of preserving the individual benefits now existing in communal land tenure systems, while working towards making it possible for Blacks to buy land. But the land issue had to be de-mystified by locating it as a problem area among other problem areas. These included the need to reduce the size of government bureaucracy – assisted by a maximum degree of privatisation; unemployment; broadening the tax base; and tackling the housing shortage, with its inherent squatter problem.

But, said Dr Buthelezi, it would take years of sustained economic growth levels of five percent and more before unemployment was reduced to acceptable levels. These higher growth levels could only be achieved with difficulty through attracting inflows of capital and technology by competing for investment capital in a hostile world – and by maximising South Africa's export trade to make the country an effective competitor with countries such as the United States, Japan, Taiwan and Korea.

Ultimately, Inkatha's economic policy would place reliance on those capable of generating wealth – thus making it easier for those to succeed who can succeed.

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