

Expanding the industrial base is top priority

Inkatha Freedom Party President, Dr Mangosuthu Buthelezi, spelt out the priorities of IFP economic policy during a recent visit to the Far East. In Taiwan, Dr Buthelezi and his entourage were able to absorb some of the lessons of that country's unique economic development at first hand and to examine various aspects of the country's infrastructure and services...

Addressing Premier of the Executive Yuan, Mr Hau Peitsun, Dr Buthelezi said the immediate goal of IFP economic policy was to expand the industrial base of the economy as a necessary prerequisite for economic growth and wealth creation.

"Economic expansion must take place to ensure an ever-increasing share of domestic and foreign markets. The most rewarding growth is that in which there is wealth creation from export-led growth. Access to foreign markets will therefore be pursued vigorously through a multi-sectoral policy.

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"Economic processes have to address improved income, equity and services distributions. The IFP argues against redistribution through nationalisation of key industries and instead maintains that the less State interference in the economy the better. The IFP argues against confiscation of assets as mechanisms to achieve this as this would interfere with the

rights of the individual to privately own land, to accumulate wealth, to find employment under fair and just conditions and to privately own fixed property.

"Instead, the IFP argues that a short to medium term increase in opportunity, which allows people to become participants in the economy, will substantially improve the distribution of wealth. This wealth distribution through economic growth is central to IFP policy. It will serve to avert dependency becoming endemic which could prove problematic.

Productivity

"The IFP sincerely believes that dangers of State interference in the economy would curb productivity, as has been proved all over the world. We therefore argue that the restructuring of the economy will have to ensure that market forces and initiatives are given greater freedom. This can best be achieved through deregulation, commercialisation, privatisation and a reorientation of the economy towards widespread industrialisation that emphasises export trade. This reconstruction will have to be financed through economic earnings, economic savings, and through other sources such as foreign loans, investment and aid."

Dr Buthelezi added: "We have to develop an economy which possesses optimal growth potentials which emanate from a large and competitive productive economic base mostly made up of private sector activity that earns foreign income and creates jobs. Attention will have to fall on those sectors of the economy which can best contribute to the attainment of economic goals.

"Initially the government will have to play an influential role in ensuring the establishment of such an economy becomes possible through an improved performance



Dr Mangosuthu Buthelezi is greeted by members of the KwaZulu Cabinet and a guard of honour, on his arrival at Ulundi airport after an historic visit to the Republic of China (Taiwan).

of existing industry, and a doubling of the industrial base in the shortest possible time."

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The IFP leader said that State involvement in the economy had to be limited to establish political and economic structures that encourage enterprise and the creation of wealth. They should also generate equal access to this process for all and ensure benefits from it for all.

"It is important that in devising State intervention, safeguards against the extension of this interference are guaranteed and strategies used by the State are self-cancelling. Africa is full of bureaucratic monoliths. The State must play a role in the establishment of an economic advisory council to research and

formulate plans and programmes for long term economic growth and employment in consultation with other bodies."

High-tech

Dr Buthelezi said the State must also play a role in the development and expansion of a competitive capital-intensive high-tech manufacturing sector to serve both export-led growth and increased domestic consumption.

During the formative period of the new economic order, the IFP as government would also have to encourage development away from the over-pressurised metropolitan areas to a more even spacial development by encouraging construction of select industries.

It would encourage the influx of migrants to economically functional rural towns. These decentralisation efforts would take into account the comparative advantages and cost of creating jobs in the different regions to make decentralisation more attractive to foreign investors. Decentralisation to develop growth points where they do not exist will be used very circumspectly, if at all, said Dr Buthelezi.