

**MEMORANDUM FOR DISCUSSION WITH THE MINISTER OF FOREIGN AFFAIRS
OF ZIMBABWE**

**BY MANGOSUTHU BUTHELEZI, CHIEF MINISTER OF KWAZULU
AND PRESIDENT OF INKATHA FREEDOM PARTY**

JOHANNESBURG : MAY 3, 1993

Mr Foreign Minister, it is a great pleasure to welcome you to my country. There is much to be gained through renewed co-operation and negotiation between our neighbouring states. Diplomatic recognition and the removal of sanctions heralds a new era for South Africa, as our country emerges from decades of international isolation and economic reprisals. But this progress must be equalled by development on the African continent as a whole.

Like Zimbabwe, South Africa is recognising the crucial need to open up its economy by reducing tariff restrictions and gradually removing protectionism, forcing local producers to become more efficient and productive. This has the positive result of reducing the cost structure of the economy, thereby eliminating many of the distortions which lead to a maldistribution of scarce resources. In developing countries such as ours, it is only through the implementation of efficient price mechanisms that resources can go a long way.

In the words of Baroness Chalker, British Minister of State for Foreign and Commonwealth Affairs: "Economic reform must also have a human face", not forgetting that the main participants in, and beneficiaries of, development should be the people themselves. And if governments are to give priority to policies which promote social and economic development, they cannot afford to waste resources on non-productive areas.

Legitimation of the future post-apartheid system in South Africa will require great effort and vast resources, as well as widely participative policy-making processes to ensure an efficient and appropriate deployment of resources. The social policy system must be based on the material provision for the poor, which at the same time will not impact on future economic growth and development potential.

The answer is the promotion of free enterprise as the only proven solution to improving local manufacturing standards. In this I highly commend your government for adjusting to freer trade movement with the gradual removal of protectionism under your five year Economic Structural Adjustment Programme (ESAP). Although your structural adjustment policy may be causing a lot of hardship in Zimbabwe at present, it can be seen as a necessary step forward for creating an environment where long term sustainable growth will be made possible.

Aimed at liberalising trade, decontrolling the economy and reducing government spending, ESAP contains the necessary ingredients to revamp Zimbabwe's previously centrally controlled economy. By promoting local business opportunities, this structural adjustment programme should ultimately bring about new economic growth and encourage employment. In the same way our own government in South Africa needs to shift its focus from controlling, and become the facilitator for development and business.

Radical protagonists in my country need to abandon their revolutionary rhetoric which serves to increase the appeal for nationalisation and the widespread redistribution of wealth. It is obvious that any future government of South Africa will have to start rectifying the imbalances that exist between races and cultural groups. It must actively incorporate vast numbers of impoverished Black people into the existing economy.

But at the same time it has to remain wary of the inherent danger in redistributing all that which exists and doing very little to create new wealth. On the contrary, the emphasis must be on massive investment and massive wealth creation, which will broaden the base for redistribution and economic opportunity, and contribute towards the sustainability of political stability.

I, like many other responsible leaders in this country, recognise the urgent need to eliminate discrimination in areas such as housing, health and education. Yet such areas of need will require considerable State expenditure, which must be kept in safe balance. Developing governments have to understand that this money cannot be perpetually borrowed. It will require the hard work of every citizen of South Africa to achieve the level of prosperity and development needed for sustained economic growth.

The new government can promise improvements, but is up to the concerted effort of all to increase the productivity and efficiency of local trade. We must make the region attractive to investors in terms of return on investment, infrastructure and skilled labour.

This alone is not sufficient. As you know any prospects for foreign investment, or the renewal of foreign loans to Africa, depends first and foremost on the stability of the continent. The extent of aid and investment to Africa has drastically reduced in the light of current levels of corruption and violence.

Our own countries are not free from blame. Both South Africa and Zimbabwe are plagued by deep divisions. There is a need to develop a new respect for human rights in order to correct the imbalances that exist. Our countries must work towards lessening the alarming toll of violence and intimidation, and encouraging an atmosphere of peace and tolerance amongst all. It is only through the respect of human dignity and the preservation of humanity that we will be able to bring our people and country together.

In this spirit of co-operation there must be a united appeal for multi-party democracy and the devolution of autocratic control, where all individuals and political groupings can benefit from meaningful representation in their regions. But this process of change must be carefully monitored and supervised. As neighbours, in a common terrain and with similar problems and shortfalls, we need to draw on each other's experiences. We also need to assist each other through this difficult process and do everything we can to avoid the risk of armed conflict and needless destruction and death.

Our countries need to safeguard future generations against the struggles of the present. The African experience has not only emphasised the need for principles of State policy to be observed by successive governments by limiting government power, but has also demonstrated the need for these principles to be openly enshrined in South Africa's future constitution. Constitutions must not be used in the struggle for political power and to safeguard the interests of the ruling party, thereby eliminating the right of the people to determine how and by whom they will be governed.

Central to the policies and demands of the Inkatha Freedom Party is that political power and constitutional protection is accorded to the people at regional and local level. We believe a

democratic constitution which encourages the politics of empowerment and widespread participation and representation, should in turn encourage the integration of divided communities. If communities are permitted to play an effective role in deciding how their lives should be run, there is a greater likelihood of creating a climate of peace and harmony.

Democratic government is the only way in which Africa can be placed firmly on the dynamic growth path to create the economic base needed to achieve the great goals in view. What remains is for the major players in Africa, like South Africa and Zimbabwe, to seize with both hands the opportunities that exist, and for our governments to pave the way for investment and growth in the entire continent.

Our countries are rapidly learning how to effectively utilise the resources at our disposal. At this year's Zimbabwean International Trade Fair, it was said that first time visitors to the fair were astounded at the sophistication and diversity of the products on display by Zimbabwean firms. In all categories, ranging from agriculture, mining, construction, industry, manufacturing and services, Zimbabwean manufacturers demonstrated their considerable capabilities and expertise.

South Africa too has much to offer. At present our major exports to Africa are unprecious metals, chemicals, food, machinery (with South African technology most ideally suited to African conditions), mineral products, vehicles and parts, plastic, rubber and paper. And despite high transportation costs, South African goods travel as far afield as Cameroon, Togo, Nigeria and the Ivory Coast.

South Africa is Africa's principal trader. South Africa is the top African importer, ahead of Egypt and Algeria, and the top supplier. Exports from South Africa have risen significantly over the past few years. We see our greatest opportunities for investment being in the more developed economies of Kenya, Nigeria and Egypt, but penetration into these countries will take more time and cultural adjustment. However, as political normality returns, South Africa can become a springboard for international capital, either through distribution agreements with foreign companies or joint ventures. Given our sound infrastructure, development in Africa will increasingly feature the South African element.

As also experienced in Zimbabwe, the road to reform and change is also the road to economic opportunity. Forging trade links with the rest of the world has taken on a renewed impetus, and we look forward with confidence to resuming our rightful position in the wider community of nations.

It is on this positive note that I firmly encourage our countries to get the fundamentals right and set the parameters, with commerce and industry, so that both South Africa and Zimbabwe can move forward and fulfill their potential in Africa and in the world. We have a long road ahead, but there are so many opportunities that exist for us to work together to change the entire complexion of our continent, by removing the costs of destabilisation, broadening markets and bringing new investment and technology into the region.

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