

IDZs should be reconfigured and redefined: experts

Three specialists, who were approached about the current efficiency and future role of industrial development zones (IDZs) in South Africa, recommended that IDZs should be reconstructed, remodeled and reconceptualised while creating free trade zones in the country and relaxing labour laws.

Speaking to the *Black Business Quarterly* (BBQ), Neil Rankin and Peter Draper from Wits University, and the World Economic Processing Zones' Dr Claude Baissac, warned that failure to act now, and persistence with the current model would be foolhardy.

"The key is not having a lot of similar IDZs, but rather to have variation between the IDZs, to see which work best and what policies, regulations - or lack thereof - help them," Rankin said, adding "[g]overnment needs to focus on its core role, providing an environment that enables business and job creation." Peter Draper said that IDZs are not free trade zones in the mould that China and other parts of Asia have successfully pioneered, "[w]ith South Africa's high and escalating cost structure and distance from major markets, it is difficult to see how anything but a free trade zone would make a real difference," he said.

According to Claude Baissac, the problem with IDZs in South Africa in their present state is both conceptual and operational. "In my view," he said "South Africa should profoundly restructure the programme: taking its best practice, bringing the best experts, inspiring itself from what has worked and learning from what has not." Baissac concluded that a properly redesigned, renamed, and restructured IDZ programme could "offer a politically safe avenue for much-needed reform and a reversal of the very significant and very concerning decline in competitiveness."

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