

NOTES

MK NATIONAL COUNCIL

17 December 2016

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ANC AND THE NDR IN THE CURRENT PHASE

The focus of the presentation is on broad trends within South Africa's political economy in line with the request to deal with the ANC in the current phase. Will try to be as brief as possible merely to lay a foundation for discussion.

A recurrent question that I'm quite certain most of us come across these days is: Quo Vadis SA, and in turn, Quo Vadis ANC. In the current period, the fate of the ANC is closely linked to that of SA because, as we know, the ANC does not exist for its own sake – but to lead society in constructing a new and equitable socio-political system.

The question whether the country is on the right track arises because of a variety of negative macro-economic and macro-social trends that are manifesting at various levels.

However, our view is that, in the midst of hyperbole, we should not miss the major achievements that the country has made and continues to make in improving the human condition. On the other hand, an unbridled positivity and defensiveness can tempt us to avert our eyes from danger signals.

And so, Quo Vadis South Africa?

SCENE-SETTING

I will start off with a bit of scene-setting, by examining where the country currently is in the political cycle.

As we all know, in 2012 South African adopted a National Development Plan with laudable targets for 2030, supported then by all the parties in parliament. If the settlement of the early 1990s constituted a political compact, there seemed then to be a unique opportunity to forge a social compact bringing together all the partners to address the multitude of social legacies we have inherited.

After the 2014 elections, the MTSF was adopted by Cabinet and it contains the first steps required towards the attainment of the objectives of the NDP. The issue though is whether this MTSF is being rigorously implemented, or whether the practitioners are consumed by other issues. The evidence in this regard is not encouraging.

In the build-up to and at the mid-term NGC last October, there was an open and inclusive process of reflection within the organisation; and, as we know, the ANC is among the most self-critical organisations you can find. There were all the right noises; but there is legitimate criticism that sessions such as these are taking on the form of confessionals, with recurrent sinning over 6 days of the week.

What is encouraging though is that there is a new mood abroad within the ANC and the Alliance:

- the most sensitive of issues about corruption and state capture are now surfacing in formal discussions, from branch structures up to NEC members, from the Masupatsela to the veterans
- the December fiasco at National Treasury (9/12) had its own silver lining as a lesson in Economics 101 about the limits of power in a small open economy; and there is better appreciation of the need for social compacting between government and business and the unions

Yet all of us can sense what the Greeks call hubris: meaning, a defiance of the gods that can only end in nemesis or self-destruction. From the strange conduct at SARS, the behaviour of the Hawks and the NPA, to the bizarre activities in Denel and Eskom, and a Minister's Cabinet statement on the banks that never was – all these tell us that the beneficiaries of corruption and state capture will not give up without a fight.

And so, we have contradictory tendencies in the broader environment: a clear lodestar in the form of the NDP; and yet a variety of weaknesses that have placed the ANC and the country at the edge of a cliff.

OBSERVATIONS ON ELECTORAL OUTCOMES

The question about the state of the ANC cannot be delinked from the major trends that have emerged from the recent elections.

Starting off with the 2014 elections, three major trends need to be noted:

- Firstly, SA has avoided the curse of post-colonial Africa, that is, ethnicity: reflected among others in the fact that the three largest parties have a national footprint; and ethno-cultural mobilisation has lost its shine in KZN
- Secondly, we have started to witness the fickleness of the middle class as shown in declining ANC performance in the metros (lost 10.3% on aggregate; DA gained 6.5% & EFF 11.4%)
- The third trend, which we'll come back to later, is the fact that South African politics is shifting left-wards as the liberal opposition, the DA pursues the bigger pond of voters; and with the emergence of the 'far left' EFF.

As we all know, the 2016 local government elections confirmed these trends but also raised critical issues:

- The ANC is in steep decline: using LG election results from 65,7% in 2006, to 62,9% in 2011 and now to 54,5% last August. While in 2014 there seemed to be a manifestation of that fickleness of the middle class, affecting mainly the Metros, in 2016 Limpopo and Northwest provinces in fact registered larger declines in percentage points than Gauteng.
- In the same period, the DA moved from 16,3% to 24,1% and now to 27% – its rise has slowed after the absorption of the ID. The EFF is not galloping either: from 6,35% in 2014 to 8,25% in 2016.
- What is clear from analysis is that the turn-out was stronger in DA strongholds and weaker in ANC areas: thus PR/ward dissonance – but stayaway itself was an expression of protest in relation to candidate selection processes and due to corruption and state capture at national level which sully Brand ANC.

- The critical question is whether the ANC can re-energise its base and effect a turnaround; or is stayaway a transit station to the DA and EFF? What is clear is that there is no regret, no Brexit hangover: those who stayed away say they taught us a lesson & wait for 2019, if the ANC does not change!

RELATED POLITICAL DYNAMICS

One consequence of the leftward shift is the temptation on the part of the ANC to cover its Left flank by trying to compete with the EFF on what 'radicalism' actually entails. If there is any philosophical and existential underpinning to current debates within the ANC, it is precisely this: whether any political attempt to out-EFF the EFF will be helpful at all; or whether the ANC should not instead focus on meticulous implementation of the NDP, and in that way, decisively answer the rhetoric of the newcomers.

The question has been asked whether the ructions in COSATU would presage a tectonic shift in the country's political permutations. This depends on the organisational capacity of the forces that support NUMSA and the United Front; and, in my view, their acumen in terms of community organisation – as distinct from shop-floor organisation – is not quite impressive. In NMB, for instance, where NUMSA is quite strong, the UF could only muster 0,8% of the vote: so, they may have demobilised ANC support; but not for their own benefit.

What are the implications of the local government election results on municipal governance? Of course, the ANC is governing in about 75% of municipalities. Quite clearly, in the build-up to 2019 there will be fractious discourse especially in the metros: the ANC in opposition will seek to prove that the DA is not interested in the conditions of the poor; the DA will dig up dirt to strengthen its narrative about corruption; and the EFF will grandstand and may precipitate paralysis from time to time. Some of these developments may present opportunities which we need to take advantage of.

There is the possibility that the DA incursion into the hinterland may be the beginning of a long-term trend (as with colonialism, from the Cape). The reality, though, is that the motive forces of the NDR demand faster change – but are starting to doubt the capacity and will of the ANC to implement it.

GLOBAL DYNAMICS AND PROSPECTS

The question *Quo Vadis South Africa* is also impacted upon by global and continental dynamics.

The reconfiguration of China's economy towards domestic consumption will impact on SA and Africa broadly – but there may be opportunities e.g. agricultural products; urbanisation and minerals for construction; etc. Whether India will be able to pick up the baton as a locomotive of global growth is still a matter of conjecture.

It's not obvious what impact the policies of new US DT administration will have on the global economy. Quite clearly, some of them will worsen inequality. But the irony is that, if it implements the infrastructure programme, based on higher fiscal spending, it would in fact be a right-wing government that breaks out of current neoliberal orthodoxy in favour of Keynesian policies. This however will be combined with market volatility and lack of clarity on the direction of commodity prices. And it may result in tightening of monetary policy with negative consequences for developing countries.

What is clear, is that high levels of inequality and declining legitimacy of the political establishment is leading to left insurgencies within mainstream structures (UK Labour Party, Bernie Sanders in US Democratic Party & Syriza in Greece). But this also generates right-wing sentiments (DT in US, Brexit, the near-miss in recent Austrian Presidential elections & regional elections in Germany).

There has been a rightward shift in Latin America: Brazil, Chile, Argentina and the upheaval in Venezuela, in spite of progress in the region in dealing with inequality. The lesson for us is this: maybe activities of external forces precipitated some the crises in that region. But in essence, most of the negative developments are largely self-inflicted.

What about Africa? Whatever the challenges, the Africa Rising narrative is still appropriate. The KINGs (Kenya, Ivory Coast, Nigeria and Ghana) do have some problems but the overall direction is a positive one. Aggregate growth for Sub-Saharan Africa this year may be about 1.6%, dragged down by SA, Nigeria and the oil-producing countries. Otherwise, oil-importers such as Rwanda, Ivory Coast and Kenya are still performing very well.

Consumer spending is still growing apace. The infrastructure deficit that the continent suffers from is now a boon. With about 60% of the world's total amount of uncultivated arable land, there is huge potential for African agriculture in the coming decades.

Of course, there are many challenges on the continent: e.g. macroeconomic management, reliance on a handful of sectors for exports, patronage linked to familial and party-political links; and weaknesses in accommodating political difference.

How do these opportunities and challenges relate to South Africa's own growth and development? Is Africa Rising a threat or an opportunity? South Africa is the economic growth laggard on the continent. The question is how, as happened in South East Asia, SA can use economic growth in sub-Saharan Africa as an opportunity for mutually-beneficial osmosis. This applies to the infrastructure programme and attendant manufacturing of supplies and consumer goods; the financial sector; SA's natural advantage of geography to act, for e.g., as a trans-shipment hub and marine servicing centre; and of course, its sophisticated financial and legal systems.

DOMESTIC MACROSOCIAL TRENDS

Let's now come back more concretely to the domestic issues pertaining to: *Quo Vadis South Africa!*

The South African polity is essentially a stable one, with the Constitution accepted across the board as the broad framework for the regulation of socio-political relations.

The overriding trend arising from the 2014 elections is that some 93% of those who voted supported parties that embrace the NDP.

There has been progress in addressing poverty and providing water, electricity, sanitation as well as educational and health facilities

If there is a weakness in this area, it is that access to basic services is not combined with quality of these services. Combined with this are the high levels of inequality, with South Africa's Gini coefficient (a measure of income inequality) calculated at about 0.68 – the first or second highest in the world; and young people bear the brunt of marginalisation. This applies to young black

professionals, experiencing a glass ceiling and alien culture in workplaces, which is in part responsible for the anger shown in #FMF.

The reality is that, since 1994, SA has been in a delicate balancing act of preventing the flammable social tinder from catching fire. Besides social delivery and the base effects of movement of many Blacks into the middle strata, hope was the stock-in-trade.

Poor performance and corruption are destroying that hope. The experience of Mothutlung (Brits) demonstrated the link between corruption and service delivery and mass protest. Given popular impatience and community protests in many parts of the country, you may end up with a dangerous situation in which state security agencies become the first and last line of defence. As in Marikana, some of those exploiting the social tinder may in fact goad the state into precipitate action.

It is unavoidable that when there is a sense of repetitive poor management of allegations of corruption and patronage within high leadership echelons, the legitimacy of the state and the polity get undermined. Combined with weak capacity of state institutions, these developments can result in a situation in which the state as a whole starts progressively to lose the confidence of the people. The hope that prevents South Africa's social tinder from catching fire can thus dissipate.

If SA has to prevent the social tinder from catching fire, it does indeed need a turnaround.

TOWARDS A TURN-AROUND – SOCIAL COMPACTING

What then should be the elements of that turnaround in relation to broader society?

The NDP describes an economic storyline that covers issues such as infrastructure, manufacturing, the green economy, mining and agriculture. Contained in that storyline are challenges for the private sector (including foreign investors) to integrate the NDP's content into the strategic plans of sectors and enterprises – not merely CSI.

The basic assumption here is that movement to a new growth and development path requires active leadership by a capable developmental state, with various capacities: strategic, ideational, organisational and technical. It requires courage to ensure proper prioritisation and sequencing of state programmes. It demands ethical conduct within the state.

But the state cannot implement the National Development Plan on its own. Thus, we need a social compact of common and varied actions to realise Vision 2030. Social compacting should also be founded on an appreciation by the business community to deal with the root causes of poverty and inequality. Short-termism and focus only on quarterly returns on the part of business will not turn things around.

Civil society also has a central role to play: workers need to strengthen organisations and unite in pursuit of their interests. Indeed, it's a tragedy that what characterises the union movement currently are divisions, factionalism and weakening voice. The religious community should play its part by articulating the Kairos moment of decision; and intellectuals as midwives of new dispensation should be at the forefront of analysis and action; and issue-based campaigns. Whether we may differ with them or not on their public pronouncements, many old and new organs of civil society are driven by the national interest.

The question does arise: if the state is weak and directionless, should society throw up hands in despair? Social agency means that the various partners should identify strategic objectives and act: strengthen healthy elements and narrow the space for the scoundrels.

TOWARDS A TURN-AROUND – THE VANGUARD

What should be the elements of that turnaround in relation to the ANC?

Issues raised in relation to social compacting speak to the principle of broad fronts and the role of a vanguard. Today the ANC seems to be floating more and more further away from the ‘broad front for good’. It resorts more and more to casting aspersions on eminent leaders of society and genuine and accomplished veterans of the movement; and relies on technical responses to fundamental issues raised by civil society.

At this level, a turnaround will depend on the ability of the ANC to rectify its internal weaknesses. The things that need to be done have long been identified. At the 2012 National Conference, many “urgent and central tasks of renewal” were identified, including:

- *Deepening our analysis of the present political, economic and social conjuncture and the shifts that have happened since 1994;*
- *Development and systematic implementation of cadre and leadership policy;*
- *Renewal of the ANC’s core values and safeguarding its reputation;*
- *Re-organising the ANC organisational machinery to improve its performance in all the pillars of transformation;*

Beyond this there was the 2005 document on organisational re-engineering, which raised such issues as vetting of candidates for senior positions; a permanent electoral commission that manages organisational elections; allowing campaigning by candidates through structures; disqualification for violations and so on.

All these were meant to ensure the ANC maintains its organisational, ideological and policy integrity – as distinct from the current situation where the ANC can in fact be captured. Often, we associate state capture with business interests because of the impact they have; but it is not impossible that some of the strange things we are witnessing may in fact be undercurrents of activities of the status quo ante: elements linked to the old regime.

It is natural that the mood within ANC today is one of anger, impatience, and clamour for quick resolution. It reflects the mood in broader society. This is because members have interests of people and of ANC at heart. But it is also because of self-interest especially among middle-level cadres – who face diminishing electoral returns if the weaknesses are not addressed. And, today, across the country, thousands of cadres are no longer councillors; and many have no alternative means of livelihood!

Yet, in the midst of challenges, we need to be careful not to seek quick solutions to a problem that is systemic. Otherwise, we may end up with the opposite of what is intended. For instance, what would be the outcome of an early conference if the organisational structures are not disinfected?

The efforts to turn the ANC around, which in itself is preparation for the 2019 elections, should consist of a programme based on substantive issues about growth and development, about correcting wrongs and showing society that the ANC is serious about this – both in word and in deed.

CONCLUSION

It's an understatement to assert that the ANC is at the crossroads. As indicated earlier, the beneficiaries of corruption and state capture will not give up without a fight. If we thought we had arrived, current experiences remind us that the saying is truer today: the struggle continues!

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