Succession Battle in the ANC

Towards the ANC’s Elective Conference
December 2017

Mzukisi Qobo
Political and Economic Context

• A deeply divided ANC and the tripartite alliance

• State capture, parliamentary enquiry into Eskom; as well as governance failures and funding challenges in key SOEs

• Public institutions and agencies have become weaker: National Treasury, SARS, and Chapter 9 such as the Public Protector

• Deep mistrust between the ruling party and big business, exacerbated by RET calls

• Economic underperformance and strain on public finances and growing demands

• Credit rating downgrade: budgetary revenue short-falls and increased pressure on expenditure; rise in government debt-to-GDP; and poor governance of SOEs

• New wave of public sector wage negotiations & Fees Campaign

• Paralysis in the political and economic leadership of the country.
What is the political contestation within the ANC about?

• Has been largely about personalities, factionalism, and patronage

• Dearth of ideas across the ANC as evidenced in ANC Policy Discussion documents
  • Many are riddled with contradictions, and some important ones such as the economic transformation are a hodge-podge of aspirations and rhetoric

• Presidential candidates and debates within the ANC struggle to break through the radical economic transformation ideological barrier

• No new thinking about governance, statecraft, and repositioning the state for better performance

• The positional jostling within the ANC is mostly out of touch with the country’s economic challenges; no grasp of the gravity of the challenges at hand
South Africa: The 2017 ANC Presidential Race

A two-horse race

Dichotomies of a “reformist” Cyril Ramaphosa versus a defender status quo - NDZ
South Africa: Candidates and Processes

• Only two real contenders for ANC president: CR17 and NDZ

• Zweli Mkhize is the only other candidate that has managed to get a sizeable number of branch nominations

• **3883 branches** are eligible to nominate their preferred candidates

• KZN has most branches – 806

• NC has least branches – 181

• Delegates are allocated to branches with a minimum 100 members, then for every 250 members thereafter

• Branches faced challenges with nomination processes e.g. signature challenge and failure to quorate

• **Branch delegates constitute 90% of conference delegates**
South Africa: 2017 Audited ANC Membership Figures, Delegates and Provincial Dynamics

<table>
<thead>
<tr>
<th>Province</th>
<th>Number of branches with membership of 100 or more</th>
<th>Number of elective conference delegates</th>
<th>Total membership per province</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Cape</td>
<td>591</td>
<td>648</td>
<td>140696</td>
</tr>
<tr>
<td>Free State</td>
<td>291</td>
<td>409</td>
<td>91910</td>
</tr>
<tr>
<td>Gauteng</td>
<td>467</td>
<td>508</td>
<td>99245</td>
</tr>
<tr>
<td>KwaZulu Natal</td>
<td>806</td>
<td>870</td>
<td>181860</td>
</tr>
<tr>
<td>Limpopo</td>
<td>535</td>
<td>643</td>
<td>130347</td>
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<tr>
<td>Mpumalanga</td>
<td>470</td>
<td>736</td>
<td>158598</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>181</td>
<td>197</td>
<td>38791</td>
</tr>
<tr>
<td>North West</td>
<td>352</td>
<td>538</td>
<td>119830</td>
</tr>
<tr>
<td>Western Cape</td>
<td>190</td>
<td>182</td>
<td>28459</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>3883</strong></td>
<td><strong>4731</strong></td>
<td><strong>989736</strong></td>
</tr>
</tbody>
</table>

- **KZN - 870 delegates**  
  Bigger regions (e.g. eThekweni & Moses Mabhida) firmly support NDZ

- **MP - 736 delegates (14% of conference delegates)**  
  PEC hasn’t publicly declared which candidate they support → fragmentation of support  
  NDZ will likely win most support

- **EC - 648 delegates**  
  PEC, together with the two biggest regions in the province support CR17  
  CR17 will have more support by a significant margin
South Africa: Provincial Dynamics (continued)

- **NW - 538 delegates**
  PEC firmly supports NDZ
  NDZ also has an advantage in the biggest region, Bojanala
  Least number of BGMs convened → will affect the allotted delegates

- **GP - 508 delegates**
  Strong support for CR17

- **LP - 643 delegates**
  Substantial support for CR17 within PEC & across various regions
  Some noteworthy support for NDZ

- **FS - 409 delegates**
  Ace Magashule - pro-NDZ
  Thabo Manyoni - pro-CR17
  The outcomes of the December provincial conference → who between NDZ and CR17 will command more support

- **NC - 197 delegates**
  BGMs and PGC concluded
  Substantial support for CR17 → likely to receive 80% of votes

- **WC - 182 delegates**
  CR17 will enjoy better support

- **NW - 538 delegates**
  PEC firmly supports NDZ
  NDZ also has an advantage in the biggest region, Bojanala
  Least number of BGMs convened → will affect the allotted delegates
Politics of Slate Continues

Cyril Ramaphosa Slate

- Gwede Mantashe: Chairperson
- Naledi Pandor: Deputy President
- Senzo Mchunu: Secretary General
- Thoko Didiza: Deputy SG
- Paul Mashatile: Treasurer-General

Dlamini-Zuma Slate

- Nathi Mthethwa: Chairperson
- DD Mabuza: Deputy President
- Jessie Duarte: Secretary General
- Maite Nkoana-Mashabane: Treasurer-General
Of slate and factions

- NDZ is loathed for her association with JZ, and for being supported by MKVA, ANCWL, and ANCYL
- NDZ is seen as a front for the continuation of Zuma’s reign and his trusted protector
- Associations have been drawn between her campaign and some of the dodgy characters that are close to Zuma, incl. Roy Moodley and the Guptas
- CR17 is presented in saintly image, and as someone not beholden to factions
- He is seen as the perfect “reformist” leader who could change the fortunes of the country
- Very little questions are raised about the precise nature of his relationship with Glencore group
- It is taken for granted that Ramaphosa can run the ANC and the country without reliance on factions
South Africa: 2017 ANC Conference Outcomes Forecast

Given the provincial dynamics, based on the data and information at disposal, the following outcome of the conference can be forecasted:

<table>
<thead>
<tr>
<th>Province</th>
<th>Delegates</th>
<th>CR17 %</th>
<th>CR17 Votes</th>
<th>NDZ %</th>
<th>NDZ Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>KZN</td>
<td>870</td>
<td>20%</td>
<td>174</td>
<td>80%</td>
<td>696</td>
</tr>
<tr>
<td>MP</td>
<td>736</td>
<td>45%</td>
<td>331</td>
<td>55%</td>
<td>405</td>
</tr>
<tr>
<td>EC</td>
<td>648</td>
<td>70%</td>
<td>454</td>
<td>30%</td>
<td>194</td>
</tr>
<tr>
<td>LP</td>
<td>643</td>
<td>75%</td>
<td>482</td>
<td>25%</td>
<td>161</td>
</tr>
<tr>
<td>NW</td>
<td>538</td>
<td>35%</td>
<td>188</td>
<td>65%</td>
<td>350</td>
</tr>
<tr>
<td>GP</td>
<td>508</td>
<td>80%</td>
<td>406</td>
<td>20%</td>
<td>102</td>
</tr>
<tr>
<td>FS</td>
<td>409</td>
<td>35%</td>
<td>143</td>
<td>65%</td>
<td>266</td>
</tr>
<tr>
<td>NC</td>
<td>197</td>
<td>80%</td>
<td>158</td>
<td>20%</td>
<td>39</td>
</tr>
<tr>
<td>WC</td>
<td>182</td>
<td>70%</td>
<td>127</td>
<td>30%</td>
<td>55</td>
</tr>
<tr>
<td>PECs</td>
<td>243</td>
<td>40%</td>
<td>97</td>
<td>60%</td>
<td>146</td>
</tr>
<tr>
<td>LEAGUES</td>
<td>180</td>
<td>30%</td>
<td>54</td>
<td>70%</td>
<td>126</td>
</tr>
<tr>
<td>NEC</td>
<td>86</td>
<td>45%</td>
<td>39</td>
<td>55%</td>
<td>47</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>5240</strong></td>
<td><strong>50.65%</strong></td>
<td><strong>2654</strong></td>
<td><strong>49.35%</strong></td>
<td><strong>2586</strong></td>
</tr>
</tbody>
</table>
## Some policy indications from CR17 & NDZ

<table>
<thead>
<tr>
<th>Cyril Ramaphosa Slate</th>
<th>Dlamini-Zuma Slate</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Emphasis on economic reforms and assurance to</td>
<td>• Radical Economic Transformation</td>
</tr>
<tr>
<td>investors</td>
<td></td>
</tr>
<tr>
<td>• TRC for economic crimes</td>
<td>• Women empowerment and inclusion in the economy</td>
</tr>
<tr>
<td>• Proposed change in president’s power in</td>
<td>• Addressing land reform issues</td>
</tr>
<tr>
<td>appointment heads of key institutions</td>
<td>• Prioritising industrialisation and</td>
</tr>
<tr>
<td>• Some form of government of national unity</td>
<td>bene...</td>
</tr>
<tr>
<td>• Reform of SOE governance</td>
<td></td>
</tr>
</tbody>
</table>
The winning formula in December

- Given how high stakes are for JZ group, it is widely acknowledged that money in ‘black bags’ will play an important role in winning the elections.

- Both sides are likely to play dirty, but the Zuma group has more to lose and thus likely to be more motivated to intensify dirty campaign.

- Whoever wins is likely to do so with a thin margin: this is a tightly contested race.

- It is also not likely to be a clean win:
  - Disputes over the credentials of delegates.
  - Accusations of dirty campaigning, including of money changing hands.
  - Haggling over voting procedures – whether cellphones are allowed at booths.
  - Whether counting is electronic or manual.
  - Last minute ditch to agree a slate that reflects unity as a last gambit, with a threat of a collapsed conference hanging – false compromise.
The Road to 2019 and Beyond
Scenario 1: Cyril Ramaphosa takes over

- There will be soul-searching within the ANC and in government; emphasis on unity
- Zuma is recalled by an ANC that is pro-change, and pro-Ramaphosa: external pressure weighing in
- ANC gains ground in 2019 elections, with rising confidence in urban centres
- Puts together a reform-minded team to drive political and economic change in government
- Engages with business and other key domestic stakeholders & investor community
- Reaches out to the opposition to cobble a political and economic roadmap
- Leads efforts for clean governance, a new economic consensus, and a new era of democratic-institutional consolidation
- **Wild Card**: New factions exert influence over him, and shackle economic policy direction (systemic problem in the ANC); ANC remains deeply fractured and he battles to assert his authority
Scenario 2: Dlamini-Zuma takes over

- Runs the party with strong support of JZ faction; allows JZ to continue till 2019
- Spends time drawn into service delivery protests/industrial action/fees campaign; and mounting criticism from international agencies and investor community
- Steady fall in GDP growth and flat business confidence, with rising levels of capital outflow
- Rising unemployment amongst the youth in particular
- Rising public debt, growing public sector service charges as a % of government budget
- Governance weaknesses at the SOEs persist; and generalised institutional weaknesses
- ANC electoral losses in 2019 (esp. Gauteng) and a break-away party formed to consolidate with the opposition bloc and civil society
- **Wild card:** Dlamini-Zuma turns out to be independent, reaches out, and with a drive for political & economic reform; ditches Zuma’s faction and establishes her own bloc; forces Zuma to resign or constrains his power significantly
Scenario 3: New Centre-Left Politics

- Losers in December 2017, breaking away to form another party that prides itself as championing centre-left politics and economic reforms
- Galvanisation of civil society with an eye to win hearts and minds in 2019
- Realignment of opposition party, with coalition government as a prize
- Blended policy programme: (current coalitions in metros as a template) – prudential fiscal management & pro-poor programmes in critical areas
- Wild card: Continuing instability, industrial action, impatience over delivery, and fractious politics; also instability in a coalition and a minimalist programmes
Beyond political slates...

- Whichever scenario takes shape beyond December 2017, there are certain realities that will remain with us:
  - Structural challenges in the economy: high levels of unemployment, poor performance in the real sector, and institutional weaknesses in government
  - Rolling public service delivery protests and industrial strikes in the public sector
  - Weak business confidence and long road to negotiating downgrade recovery
  - Relationship between government and business will remain fraught for some time
  - Absence of the reform bone in its body: crisis goes deeper than we imagine – Ramaphosa as a false medicine to cure a patient (ANC) that is in its death throes; will take time to rebuild state institutions and cultivate new talent
South Africa: Concluding Remarks

- The presidential race is a close contest between two candidates i.e. NDZ and CR17

- Other candidates are out of the running for the presidential office, but are likely to be considered for other roles in the top 6 (likely to be expanded)

- The current dynamics point to a CR17 win, albeit with the slightest of margins

- These outcomes are forecasted on the current dynamics and data, and when a number of variables change the forecast might alter

- The future remains uncertain; no one holds a crystal ball

- Preoccupation with ANC politics isn’t that helpful in thinking about the future of the country.