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The Next Presidentⁱ

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A political earthquake has hit South Africa. In the nomination process for the leadership of the ruling ANC, President Thabo Mbeki has suffered an overwhelming defeat at the hands of his archrival, Jacob Zuma. Mbeki is constitutionally barred from seeking a third term as president of South Africa, but he had calculated that whoever controls the party would control the country, regardless of who sits in the Union Buildings. The ANC's provincial branches agreed, and found the prospect of a de facto Mbeki third term so repellent that they voted in record numbers against him. Although the final vote in Limpopo has yet to occur, Zuma's camp smells blood and has openly begun to talk about the possibility of calling a parliamentary vote of no confidence in Mbeki as soon as Zuma has consolidated his control of the party.

Mbeki's defeat is gratifying, for it seems to confirm that democracy is still alive in South Africa, if only within the confines of the ruling party. For the most part, South African politics cleaves so strongly to racial lines that Mbeki's party has, in effect, a built-in majority. The ANC wins elections with monotonous regularity, which has had the perverse consequence of insulating Mbeki from democratic pressures and encouraging him to govern in an almost aristocratic style. Occasionally this leads to positive outcomes. Mbeki's aloof disregard for public opinion has given him the freedom to pursue a disciplined macroeconomic policy, which has produced most of the major successes of his administration: a balanced budget, single-digit inflation

and an economic growth rate that has been steady (though lower than other developing-world powerhouses).

In several key policy areas, however, Mbeki's administration has been a dismal failure. His lackadaisical response to the AIDS crisis delayed the onset of a comprehensive treatment programme for years, and he has been seemingly uninterested in reducing a crime rate that arguably makes South Africa the most violent "peaceful" country in the world. Most disturbing of all has been the government's intolerance of opposition and Machiavellian pursuit of power for its own sake. All potential sources of political opposition have been tamed: the trade unions have been locked into an alliance with the ANC, big business has been subdued and the official opposition rendered powerless. Criticism from NGOs and the international media is deflected with accusations of racism, a motive that Mbeki even imputed to UNICEF when it mildly chided the government earlier this year. The local media remains vocal, but faces increasing hostility from the state. When the Sunday Times published a damning expose of the Health Minister earlier this year, Mbeki's allies first tried to have its editor criminally prosecuted, and then formed a consortium to simply buy the newspaper outright.

Dissenting voices within the government itself are quickly expunged. The most recent victims were Deputy Health Minister Nozizwe Madlala-Routledge, who was fired after criticising AIDS policy and hospital conditions in the Eastern Cape, and NPA Director Vuzi Pikoli, who was forced from his post after carrying out a criminal investigation of one of Mbeki's allies, Police Commissioner Jackie Selebi. The only remaining check on government power is the fiercely impartial judiciary, which has no qualms about forcing the government to rewrite legislation when it violates the country's liberal constitution. Even here, however, there are warning signs – in particular, the government's plan for 'transforming the judiciary', which is ostensibly about correcting racial imbalances, but in practice could easily serve as cover for replacing the current, independent-minded judiciary with one that is more pliant.

For all these reasons, Mbeki's electoral comeuppance is as satisfying as it is unfamiliar. It would be easier to enjoy, however, if the main beneficiary were someone other than Jacob Zuma, who at first glance appears to be uniquely unsuited to the presidency. He is uneducated, has only recently emerged from an embarrassing rape trial, and faces possible future prosecution on corruption

charges. His “faction” is a strange collection of former ANC heavyweights who were steamrolled out of the way during Mbeki era: a coalition of committed socialists, public officials kicked out of the party for corruption, a handful of earnest liberal reformers, and many more who simply want payback. Among his most ardent supporters are COSATU, the Youth League and the South African Communist Party, all of which advocate a populist economic policy that would sacrifice long-term growth for the sake of a temporary spending binge. Zuma’s victory in the nominations process was greeted by an abrupt dip in the stock market, reflecting the business community’s silent fears that a Zuma presidency will lead to the embrace of Hugo Chavez-style “Bolivarian” economics.

Perhaps these fears are misguided. The truth is that right now, nobody outside the ANC knows enough about Zuma’s politics to accurately predict the sort of president he would be. Unlike, say, Hillary Clinton, he does not have a website that neatly outlines his position on pertinent policy issues. This uncertainty is troubling, but it does leave open at least the possibility that he is cynically relying on the support of the left to get elected, without fully supporting its preferred policies. Ironically, the small glimpses of Zuma’s politics that we have seen seem to indicate that he is running as a populist *right*-winger: promising to get tough on crime, de-emphasise race in the national discourse and even rethink the government’s stance on the death penalty. As for economic policy, it is instructive to note that Zuma has visited investors in India, Texas and the United Kingdom to reassure them that he does not intend to upset the status quo. It is a stark reminder that in office, Zuma would face the same constraints as Mbeki or anyone else, including the need to maintain South Africa’s competitiveness in a global economy. This will probably forestall any hard turn to the left.

But will that be enough? The unpleasant truth is that, while the struggle for the captain’s chair goes on, the ship itself is starting to show cracks. South Africa’s household savings rate is close to zero, and consumer debt is wildly out of control. Thanks to widespread borrowing and a boom in property prices, the country is awash with money. This has given us several years of demand-driven growth, but the corresponding growth in productivity has been much smaller. Too much money is chasing too few goods and services, with the predictable consequence of rising inflation. The Reserve Bank has desperately tried to stall the trend with a series of

rate hikes, but it can only affect the money supply, not increase the country's economic output.

Meeting these challenges will require more than just the maintenance of the status quo. In order to ensure South Africa's prosperity, any future president will need to take drastic steps to raise productivity. This will require free market reforms, including the privatisation of loss-making state assets such as SAA. It will also mean rethinking several core policies, including affirmative action (which is at least partially responsible for the country's chronic skills shortage) and the generous package of workers' benefits guaranteed by the state (which have privileged some workers, but driven millions more into the unregulated informal sector). South Africa's next president will need sharp political skills to take on special interest groups and the courage to make unpopular reforms. Whether Zuma – or any of Mbeki's protégés – can meet these qualifications is an open question.

ⁱ The views expressed in this paper are those of the author and do not necessarily reflect the views of the Centre for International Political Studies (CiPS) or the University of Pretoria

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