

## ANC Policy Conference

11 July 2017

On policy, the outcome can be summarised in one sentence: it was not as bad as some feared (and others hoped); and not nearly as clear and decisive as the country's needs. One is thus left with on-going uncertainty whilst the economic fundamentals continue to weaken.

### On policy matters

#### Land

By far the most important policy issue was land. Following Zuma's hard push that land should be expropriated without compensation, supported by Communications minister Dlodlo, some expected a resolution that endorsed expropriation without compensation. This did not happen and the conference ended divided on the issue; it was referred to the branches for further discussion and a final decision will be taken at December at the elective conference. It was noticeable that senior delegates have come out against the proposal (e.g. previous ardent Zuma supporter and husband of the minister of Basic Education Mathole Motshekga).

#### SA Reserve Bank

The issue of SA Reserve Bank ownership was unexpectedly raised. Although it enjoyed a lot of media attention and caused a slide in the Rand, it was agreed by Conference that the independence of the Reserve bank was "sacrosanct" and that only the issue of private shareholders should be further discussed. As private shareholders of the SARB will know (disclosure: I am one myself) this is really a non-issue, because private shareholders elect a minority of the directors; cannot influence interest rate decisions; and have no say in the appointment of the governor and deputy-governors. For me the best comment on the SARB issue came from Enoch Godongwana, chair of the Economic Transformation Commission, who said "one should not burn the house to kill the mouse".

#### (White) monopoly capital

The Zuma faction tried to get the wording in the Strategy & Tactics document (the ANC's Bible) changed from "monopoly capital" to "White monopoly capital". That went nowhere with 9 of 11 commissions constituting the Conference rejecting it. This rejection of the change may have more to do with revulsion at the Guptas and their lackey Bell Pottinger. In itself that is a good sign.

#### Mining Charter

Although mining minister Zwane claimed a ringing endorsement for the Mining Charter, it did not quite happen that way. Delegates supported the "objectives" of the Charter but not the "design". Earlier the ANC has expressed concern about job losses as a result of the Mining Charter. The fate of the Charter will (unfortunately) be decided in the Courts. Court processes take time so more uncertainty will prevail. The R46 billion which was invested by mining companies last year can only be negatively affected... I very much doubt it we will see another R46 billion invested this year.

#### On succession

The unwritten agenda of the Policy Conference was positioning for succession. During the various policy debates the outlines of the contest became broadly clear: most of KZN, the Free State and North West are behind the Zumas; Limpopo, the Eastern Cape, Northern Cape, Western Cape and Gauteng are broadly behind the Ramaphosa campaign. The leagues are mostly behind the Zumas.

However, there are some swing factors and uncertainties.

#### Mpumalanga

The biggest swing province is Mpumalanga – its leader David Mabuza has not declined nomination as deputy-

president on the Zuma slate, but that is not seen as his final position at all. He is apparently open to a deal and has expressed his preference for a negotiated or compromise outcome to the leadership contest.

The pivotal position of Mpumalanga was illustrated at the start of the Conference when a scathing Diagnostic Report by secretary general Mantashe was challenged from the floor by Zuma provinces. Limpopo argued strongly for the Report to be heard and the challenge was abandoned and the Report delivered after Mpumalanga came out in support of it being heard.

### **Kwazulu Natal**

The other swing factor is how divided or united KZN is. In the past the province was 100% behind the Zumas, but that has changed. The previous ANC leader in the province Senzo Mchunu, who last year lost narrowly to the current incumbent and Zumaite Sihle Zikalala, has taken the election results of that provincial elective conference to Court and the matter is due to be heard in August, claiming irregularities. Mchunu is in the Ramaphosa camp and Zikalala in the Zumas' camp. The ANC's current treasurer Zweli Mkhize, previous leader in KZN, is also seen as in the Ramaphosa camp.

In an interesting piece of ground up research The Mail & Guardian found that 6 of the 11 regions in KZN support Cyril Ramaphosa. However, several analysts dispute this observation; and reports are rife that KZN has gone on a massive recruitment drive with most of the recruitment in Zuma supporting areas. We will have to wait for the membership audit to learn what has actually transpired.

### **Eastern Cape**

This province will have its provincial elective conference by the end of July. The contest is between the current premier and Zuma supporter Phumulo Masualle and the Ramphosa supporting provincial secretary Oscar Mabuyane. At the policy conference the Eastern Cape delegates were very noisy in their support for Ramaphosa, but obviously the provincial election will be the decisive event.

### **Membership audit and final numbers**

Elections are about numbers. Membership audits were done before the policy conference. July and August have been set aside for audit queries, appeals and objections. So by the end of August/beginning September the final membership of the ANC will be known.

That will give a good indication of the spread of power between the nine provinces. 90% of the votes at the elective conference are allocated to branches and 10% to the various leagues: Women, Youth and Veterans.

### **Nominations**

During September and October the (audited) branches will nominate their candidates for various leadership positions. That will give a very good indication of the balance of power between various candidates. In 2007 and 2012 branch nominations closely mirrored the eventual elective conference outcome. We will see if history repeats itself.

One change this year is that branch nominations will no longer go to the province to be consolidated at provincial level, but will go straight to the ANC's electoral commission. This is an attempt to curb slates and may or may not succeed.

### **So What?**

- The policy conference did not bring clarity on vital issues like land and the mining charter; and caused considerably unnecessary confusion with its suggestions on the Reserve Bank.
- Resolutions will now go to the branches for further discussions and final decisions to accept or reject policies will be taken at the elective conference in December. That means another five and a half months of uncertainty before we have more clarity.
- As a proxy for the succession battles, the policy conference clearly did not go the way of the Zuma faction. They lost on land and white monopoly capital and could not get traction on the Reserve Bank and the mining

charter. However, one cannot take that as a forecast of the outcome of the elective Conference. The Zumas will regroup and mobilise again before December. But then, so will the other side.

- The Eastern Cape provincial ANC election in July and the court case in August on alleged irregularities at KZN's provincial elective conference last year will both have decisive impacts on the succession race.
- The swing province that can make or break candidates' chances is Mpumalanga – its leader is in favour of a negotiated or compromise election outcome.
- The publication of final audited membership numbers end August/Sept and, importantly, the nominations by branches in Sept/Oct will give a very good indication of the balance of power.