



## **Is Thabo Mbeki now a lame duck president?**

Over the last few weeks several people have raised the issue of President Mbeki being a lame duck. It started with the setbacks Mr Mbeki suffered at the ANC's General Council Meeting in July and the apparent revolt in favour of Mr Zuma. Then, as the local government crisis unfolded, it was fuelled by the demand that he should fire corrupt and incompetent mayors (and has not), the hardy annual that he should fire the minister of health (and has not) and the view that a commission of inquiry into the future of the Scorpions is nothing but the inaction of a weak or lame duck leader.

## **Déjà vu**

All this reminds me of the early 2000s. Mr Mbeki was also seen, then, as not-up-to-it. He was constantly criticised for two issues: HIV/Aids and Zimbabwe. Nothing else that he said mattered. Only what he did not do on HIV/Aids and Zimbabwe. In January 2001 a prominent commentator wrote, with reference to Mbeki and his administration, that the "stench of failure is hanging in the air." Later in 2001 the rand collapsed (remember R13 to the dollar?), interest rates shot up, inflation worsened and it looked as if Mbeki was also not-up-to-it in his area of competence - the economy. Now, a short few years later the currency, inflation and interest rates have recovered quite spectacularly; per capita incomes are rising at a higher rate than in the "golden" sixties; job creation this year equals the number of new job seekers.

And Zimbabwe has collapsed into oblivion, delinked from SA. SA has rolled back both Mugabe's and Gaddafi's influence in Africa. Mugabe once occupied parts of the Congo and retrieved from there the hard currency needed to run his North Korean-like apparatus - he is now struggling without hard currency - thanks to the Sun City peacemaking deal. His fellow leaders in public might still not repudiate him, but he is certainly no longer the strongman that he was when he refused to make way for Mr Mandela in SADC. One of Africa's last socialists has been discredited - few would support his policies now. Gaddafi, once vehemently set against Nepad and, specifically, open economy policies (using oil to enforce his view) is now keeping a distance from Southern Africa.

A praise song for Mbeki? No, just a clinical evaluation of how matters have turned from "the stench of failure in the air".

## **Having his own agenda...**

Why did people make the mistake of "stench of failure" when it was clear trends were going in the opposite direction? The mistake was to judge Mbeki not by his programme, but by what people wanted him to do. For whites it was strong action on Zimbabwe; for the opposition, ditto on HIV/Aids. But he had his own agenda. And right or wrong, agree or disagree, that is what he was going to pursue. Many disagree with his agenda.

Some disagree with his Zimbabwe approach; many more disagree with his economic policies; others disagree with his adherence to the Constitution. Disagree if you will – he was following his agenda. And achieving most of it.

In his 2001 State of the Nation speech, Mbeki outlined 43 actions, most of them to improve the economy. A year later more than half of them were met and the implementation of the rest continued. After the 2004 election he went to parliament and launched some 307 actions. A year later he could report to parliament that 51% of those had been met or initiated as per the set timetable, 21% had been done or initiated but not on the time limits as set and 28% were behind schedule.

The point is this: he has followed his own agenda, not the one that others think he should pursue.

### **A lame duck is somebody whose programme has stuck.**

Given this background and track record, let's now turn to him becoming a lame duck. In his State of the Nation speech at the beginning of 2005 he again set out his goals (in addition to those 307 he articulated last year). These were:

- Higher economic **growth** (see the 6% task team under Deputy-president)
- through more **investment** (see the R185 billion investment plans of the parastatals with more measures to come) and
- lowering the **cost of doing business** (see telecoms prices, bank charges and the action on life insurance products – watch out for petrol next!).
- **Including** more people in the economy (see charters and BEE).
- Improving **skills** in the civil service (see Project Consolidate in local government and the bringing in of new skills).
- **Redistribution** to alleviate poverty (is there an area where redistribution is not happening? From farms to water rights to social allowances?).
- A **safety net** (there are now more than 10 million people who receive a cheque from the government every 30 days and neither interest rates nor taxes are buckling under the strain!).
- In a **sustainable** manner (see Trevor Manuel's fiscal discipline; interest rates, inflation and taxes as well as adherence to the constitution in a tricky area such as land redistribution. All to the great chagrin of the left).
- A **public works programme** (targeted to deliver 1 million jobs over 5 years and achieved 223 000 in year 1).
- A more flexible labour and regulatory environment for **small business** by April 2006 (a while to go to the deadline, so let's see what happens).
- Some specific targets around clear **water** (2008); **sanitation** (2010); and **electricity** (2012).
- **Reduction of crime by 7% p.a.** (progress confirmed by official stats, victim surveys and insurance companies' claims patterns).

There are more, but this gives the gist of it. Also, the year is not over yet, and it is already clear that progress has been made.

Does this look like a lame duck? I don't think so. So maybe he should fire the health minister. But do not confuse his refusal to do so, or anything else that you think should be his priority, with him being a lame duck.

### **Has Zuma changed his ability to deliver on this?**

Which of the above can he not implement as a result of what has happened since July? I can think of only one item: labour market flexibility. It was explicitly shot down by the ANC. But then we still have the April 2006 deadline... But for the rest?

Mbeki is still in charge of the ANC (unlike PW Botha who relinquished control of the NP and was then forced out). He also has the power of the state. How will ministers and DGs not deliver on the above? Water, investment, crime? Particularly with local government elections coming up?

### **The road ahead**

Mbeki has three and a half years and four budgets left. He will use this time and the power of his office to implement the agenda already set. I do not expect dramatic new initiatives. That is not his style and there is the current programme to implement.

Many do not like the programme; others do not think much of it. That is fine. The one thing SA needs more than anything else is sustainable growth, sustainable redistribution and to consistently get richer. And that is what his programme is aimed at.

That does not mean that he can choose his successor – in democracies few incumbents can. So he might not control who comes after him. But he can certainly create a reality on the ground, which will bind his successor. A growth and development path taking us to modernity. If over the next few years we move one step up to a 4.5% economy (from 3.5% or 4% now); a new leader will not be too inclined to throw all of that overboard.