



## **How South Africa's upcoming ANC electoral conference will impact the country for years to come**

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**November 2017**

### **Abstract**

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In 2019, South Africa is heading for the polls in its sixth General Elections since the end of Apartheid. December will mark the first decisive steps when the African National Congress (ANC) will elect their party President who is earmarked to run as the party's Presidential Candidate for 2019. In the midst of the controversies of his Presidency, Jacob Zuma is rallying for his ex-wife to take over not only the position but a network of corruption and conspiracies. If the December conference does not bring about change, the country is running the risk of sinking even deeper into a political and economic turmoil.

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## Analysis

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### How South Africa's upcoming ANC electoral conference will impact the country for years to come

Since the end of Apartheid in 1994, the African National Congress (ANC) has been the ruling party in South Africa. Due to the parliamentary system, the majority party in the National Assembly traditionally elects its President as President of the Republic. President Jacob Zuma, who came into power in 2009, is constitutionally barred from running for a third presidential term. Ahead of the 2019 General Elections, the race for power within the ANC and ultimately the country has therefore begun.

In December of 2017, the ANC will hold its conference to not only elect the President but the so-called *Top Six* who are responsible for running the day-to-day business of the party. Prime candidates for the presidential position are former businessman and current Vice-President Cyril Ramaphosa and Nkosazana Dlamini-Zuma, who not only held various ministerial positions since the 1990s but was the Chairperson of the African Union (AU) Commission since July 2012. In this struggle for power, the internal rift of the ANC deepens.

Despite being surrounded by many controversies himself, Ramaphosa, who has recently distanced himself from the President, is basing his campaign on a judicial enquiry into *State Capture*. Since late 2015, more allegations have surfaced surrounding a corrupt relationship between President Zuma and a wealthy business family, the Guptas. The opposition parties first made claim of State Capture when information surfaced that the Guptas had offered ministerial positions and were influencing the running of government. Although Jacob Zuma has since withstood yet another vote of confidence, more ANC politicians are accusing the President of bringing their party into disrepute and are asking the President to step down. Whilst these party members are likely to vote for Ramaphosa during the December conference, the more probable winner is Dlamini-Zuma who is basing her campaign around *radical economic transformation* of the country.

Radical economic transformation is a key strategy decided on by the ANC to reindustrialise the country's economy and further emphasise black ownership. Although being a plan decided on in 2012, it is yet to be backed up by defined policies and a stringent course of action. Dlamini-Zuma is rallying to change that.

For the past few years, South Africa's economy has faced a downward trend. The growth rate of 1.3% predicted for the year in February 2017, had to be reduced to 0.7% by October. The projected growth rates for the years to come are not sufficient to create enough jobs for the ever-increasing population, so the unemployment rates will rise. The government does not have adequate plans to counteract this development and would need immense foreign direct investments (FDI). However, corruption allegations against the President, political instability, unpopular economic decisions and a surge in crime, has shaken investor confidence. Since April 2017, the country has been downgraded to *junk status* by two of the three leading credit rating agencies. Many investors are now erring on the side of caution, withdrawing funds or refraining from committing more investments. Some are barred from conducting business with a country in junk status all together. The newest forecasts of economic growth of 1.1% and 1.5% for 2018 and 2019 respectively, make a further downgrade by the last agency a matter of when rather than if.

Although an economic change is needed, Dlamini-Zuma's approach is running the risk of further discouraging investments into the country. In line with the Broad-based Black Economic Empowerment (BBBEE) strategy, Dlamini-Zuma wants to focus on reducing the inequalities between the black and white population of the country. Despite the end of Apartheid over 20 years ago, a majority of black people are still in weaker



economic positions than white people. Whilst there is certainly a need to empower the poor, a free market economy is founded on the awarding of contracts and employment based on competitiveness rather than demographics. In the run-up to the ANC conference in December, Dlamini-Zuma made it clear that her aim is to transfer the wealth from "the white minority to the black majority". Although this has been the aim of government policies for many years, such radical statements within the current economic climate will have a negative impact.

Not only are South African businesses discouraged from pursuing opportunities, but it will be more difficult for foreign companies to operate in-country which would further negatively impact the country's economy and not result in the desired effect. The outcome can be questioned further, when probing the motives of Dlamini-Zuma.

The ex-wife of Jacob Zuma has herself been implicated in the scandal evolving around State Capture and receiving illicit funds from the Gupta family. In light of the allegations against the Gupta family and President Zuma becoming more severe, the patronage for his ex-wife as his successor appears to be an attempt to obfuscate the controversies surrounding his Presidency. For the twelfth time since he took office and the second within this year, Zuma reshuffled his cabinet in October. He has long been accused of putting loyal allies into government positions rather than filling the posts based on competencies. With his second term running out and public pressure rising, Zuma seems to prepare for his departure by ensuring that deals lucrative to him are being pushed through before the change in power and to secure his own future rather than the country's.

Former State Security Minister David Mahlobo has now been appointed Energy Minister. Mahlobo has long been known to be a close ally of Zuma and has accompanied him on many trips, including Russia. In April of this year, the Western Cape High Court had set aside a controversial nuclear deal between South Africa and Russia, ordering the government to restart the procurement process. Since then, the Zuma administration has been trying to push the deal through. It involves the building of eight nuclear power stations by the Russian parastatal Rosatom but holds South Africa extensively liable for any accidents and may contravene the Vienna Convention on liability for nuclear damage. In the current economic climate, the country would not be able to set aside enough monies to plan for such an occurrence. In a failing economy, the President should push to stabilise it rather than entering deals that can negatively impact the country over at least the next twenty years. So, if the country does not benefit, who will? As it so happens, the Guptas and one of the President's sons, Duduzane Zuma, own a uranium mine which would become highly profitable, should the nuclear power plants be built.

The twelfth cabinet reshuffle and the appointment of Mahlobo in the Energy Ministry followed the recent statement of Finance Minister Malusi Gigaba that South Africa would only pursue the deal should it be affordable. Gigaba's efforts in front of the World Bank and the International Monetary Fund (IMF) to restore investor confidence and stabilise the economy were quickly destroyed with the reshuffle. The worries of the public that their President is abusing his powers to realise the nuclear deal are substantiated by the fact that Mahlobo is the second minister being appointed to the post in one year, after his two predecessors *failed* to deliver on the deal. Especially after rumours surfaced that the Russians had urged Zuma to put Mahlobo into the energy position to enable the closure of the deal. It seems that the country is not run by the President and in the interest of the population, but by a fair few who have their own interests at heart and play Zuma like a puppet on a string.



David Mahlobo, in turn, is friends with controversial businessman Adriano Mazzotti, who has been investigated by the South African Revenue Service (SARS) for tax evasion and tobacco smuggling. In the run up to the December conference, it has been alleged that Mazzotti is a sponsor of Dlamini-Zuma's election campaign. Although Mazzotti is denying any involvement with the campaign, photos of Dlamini-Zuma and himself as well as other corroborating facts have emerged. Should the allegations prove to be true, the fear of many South Africans, that Dlamini-Zuma is part of the controversial web of her ex-husband would be substantiated and make it likely that she will continue his legacy.

Even after his Presidency ends, Jacob Zuma will need allies in government to keep his network and economic interests afloat. Additionally, Zuma might have to fear criminal charges after he loses his immunity as President. In the beginning of 2017, the AfriForum, a lobbyist group advocating for the rights of minorities, especially white Afrikaaners, launched a private prosecution unit. The unit is headed by former State Prosecutor Gerrie Nel. South African law allows for private prosecution in cases where the National Prosecution Agency (NPA) decides to not press charges. The NPA has been highly criticised in the past for being too politicised and prosecuting selectively. One of the first cases brought to court by the AfriForum will be a charge of culpable homicide against Duduzane Zuma. The private prosecution unit is yet another sign that not only opposition parties but also the public is starting to take matters into their own hands, wanting to fight corruption in their government spheres. As the scandals unfold, not only the ruling party will split further, but it will deepen the rift in the country.

Ensuring a favourable successor who can assist him and his network after his Presidency ends, is therefore key for Jacob Zuma and he is using the last weeks to sway the decision in his favour.

The province of Mpumalanga and its ANC local branch, will send the second biggest delegation to the conference and therefore has a big influence on the outcome of the election. So far, polls in the province have seen Ramaphosa in the lead.

In a surprise move, Zuma appointed little known Bongani Bongo as Head of the State Security Agency in his October reshuffle. The intelligence agencies have long played an important role in the race for the Presidency. Additionally, Bongo hails from Mpumalanga and is part of Dlamini-Zuma's electoral campaign in the province. Bongo has not held a ministerial position before and is himself being investigated by the special investigations unit - the Hawks - for corruption during his tenure in the administration of Mpumalanga. His elevation into cabinet and his new role might encourage Bongo to exert influence on his home province and its Premier David Mabuza, who is supporting the ANC Treasurer-General, Zweli Mkhize, as a presidential candidate in an effort to unify the party. Bongo and Mabuza are known to have a long-standing relationship. Influencing Mabuza and his delegation away from Mkhize towards his preferred successor, is therefore vital for Zuma and reasoning to advance Bongo.

Should Dlamini-Zuma be elected President of the ANC and continue her radical economic course, coupled with the Zuma network exerting their influence on her, South Africa is steering towards an even deeper rift and racial tensions, as well as a further economic downturn. For a true change in the country, the echelons of power need to change. However, as more and more evidence suggests, these positions will not be elected at a party conference in December, but operate independently and only for the benefit of their own account. The majority party needs to stand up for its citizens in December to bring about change; else the country is running the risk of further economic and political turmoil until at least 2019.



## ISPSW Strategy Series: Focus on Defense and International Security

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Issue  
No. 523  
Nov 2017

**Remarks:** Opinions expressed in this contribution are those of the author.

### About the Author of this Issue

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