

# ANC election victory signals further "market reforms"

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Support for the African National Congress (ANC) edged up to 65.2 percent in the South African elections held on June 2. This is marginally higher than the 62.6 percent it won in the 1994 elections that saw the end of apartheid rule.

Voters queued patiently in the blazing sunshine, sometimes for up to seven hours, to cast their ballots. The turn-out was 85 percent of the 18.2 million registered voters, almost as high as the 87 percent in 1994. Thousands of troops and police had been placed on standby, but in the event there were few violent clashes during polling.

In the run-up to the elections, the key issue raised by the mainly white right-wing opposition parties was that the ANC would use a two-thirds majority to change the constitution and transform South Africa into a one-party state. With comparisons made to Zimbabwe, they warned that business confidence would collapse. Whilst this ploy may have gained some support amongst white voters, the response of the Johannesburg stock market to the ANC victory was favourable, as share prices rallied.

The main change in the opposition camp has been the rise in support for the Democratic Party (DP), led by Tony Leon. From 1.7 percent of the total votes cast in 1994, it gained just over 10 percent in the present election, mostly made up of white defectors from the New National Party (NNP). The DP's origin was in the liberal Progressive Party led by Helen Suzman, which was the parliamentary opposition to apartheid from the 1960s on. It was reinvented as a free market pro-business opposition to the ANC in the 1990s, baiting the ANC for its "jobs for the boys" approach to running the economy. The DP has also made "law and order" a major issue by challenging the ANC's failure to deal with the growing crime rate.

Votes for the New National Party (NNP) plummeted from 20.4 percent in 1994 to just 7.5 percent. As the main government party during apartheid, the NNP has been deserted by its white supporters, who see it as no longer able to defend their privileges. NNP support is now concentrated in just two of South Africa's nine provinces—the Northern and Western Capes. Other opposition parties are also regionally based. The Inkatha Freedom Party (IFP) of Chief Mangosuthu Buthelezi received only 8 percent of the national vote, but gained about 40 percent in Kwazulu-Natal (the same as the ANC). The United Democratic Movement—led by dissidents from the ANC and the NNP, with no discernible programme except opposition to the ANC—gained 12 percent in Eastern Cape but only 3 percent nationally.

Thabo Mbeki will take over from Nelson Mandela as president on June 16. His populist election slogans, calling for a "transformation" and an "African renaissance", played on illusions amongst the mass of ANC voters. The ANC's carefully worded election programme claims that the ANC government have put in place one of the best constitutions in the world, enshrining the rights of all citizens, and passed laws "to ensure equality and to improve the lives of all." It claims that the ANC is "steadily but surely starting to dent the massive inequalities and poverty created by apartheid", and promises big improvements in employment, housing, health and education.

The truth is very different. Although there have been a few very minimal changes, life for the vast majority of South Africans is no better, and in some respects living conditions for many are worse than they were before 1994. The ANC had promised to build a million houses to provide for the 6 million homeless. Today, they claim that 500,000 new houses have been built, or

are under construction, but half of these have been judged substandard by the government's own housing ministry. Three million more people now have access to clean water, but nine million still do not, and half of the new water connections no longer work. Less than a third of black homes have electricity. Education is in a huge crisis, with one provincial government being exposed as falsifying results to cover up the situation. The land reform promised has not materialised. Since 1994, there have been 63,000 applications for the return of land stolen under apartheid and only 64 have been processed.

Promises enshrined in the ANC's manifesto have boosted expectation in the mass of the population. Investors are clearly worried that black working class aspirations, based on the ANC's election success, could undermine the government's pro-business agenda. The London *Financial Times* editorial of June 1 commented on the ANC's programme: "These are admirable objectives, but Mr Mbeki needs to be careful to strike a balance between meeting the aspirations of black South Africans, and retaining the confidence of the white minority, as well as foreign investors. In return, he will deserve their support in performing what is a difficult but essential reform process."

The ANC's record over the past five years shows that business support is justified, but over the next months they will be under increasing pressure to speed up the restructuring and privatisation of the economy. In 1996, they introduced the Growth, Employment and Redistribution (GEAR) strategy, which abandoned state intervention and called for the opening up of the South African economy to investors. These "market reforms" were supposed to promote a growth rate of up to 6 percent a year by 2000 and create thousands of new jobs. But because of the world financial crisis, growth collapsed to a mere 0.1 percent in 1998. Over the last five years, 500,000 jobs have been lost and unemployment now stands somewhere between 30 and 40 percent.

Yet the ANC government successfully suppressed opposition to the GEAR policies. Strikes have been sharply reduced and the trade union movement COSATU, together with the South African Communist Party, both of which are in alliance with the ANC, were given a public dressing down last year by Mandela and Mbeki for their criticism of GEAR. What business now

demands—and this will be taken up by the DP who supported GEAR throughout—is that GEAR be applied more wholeheartedly. This requires greater attacks on organised labour and the introduction of flexible working practices. As one commentator put it, "first world" labour conditions are unsustainable in a "third world" setting.



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