South Africa: Behind the ANC breakaway

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The decision of a number of former leaders to break away from the African National Congress and to set up a new party is the latest manifestation of the bitter conflict and infighting that has developed in South Africa's ruling party.

The new party is to be called the Congress of the People (Cope), reflecting its claim to uphold the legacy of the congress that established the ANC's Freedom Charter in 1955.

The organisation is led by former Defence Minister Mosiuoa Lekota and the former premier of Gauteng Province, Mbhazima Shilowa. Both have long histories of involvement in the struggle against Apartheid. Another leading member is Willie Madisha, former president of the Congress of South African Trade Unions (COSATU), and last week Smuts Ngonyama, former head of communications of the ANC, joined it.

The new party is made up of some of the supporters of the faction in the ANC around former President Thabo Mbeki. The opposing faction is made up of those who back ANC president Jacob Zuma, including the South African Communist Party (SACP) and the main trade union federation COSATU.

Mbeki himself and other ANC leaders opposed to Zuma have so far remained in the ANC. Millionaire businessmen Cyril Ramaphosa and Tokyo Sexwale, representative of the small number of blacks that enriched themselves under ANC rule, have also remained in the party.

The new party leaders are basing themselves on sections of the black population aspiring to wealth and power, who feel they have been thwarted by the current ANC apparatus. According to *The Economist*, "The rebels' most promising constituency—and the likely source of most of its electoral and financial support—is the black middle and upper class that expanded under Mr Mbeki."

At the same time the new party has to win mass electoral support. Hence their calls for more democracy and accountability and the echoing of Barack Obama's slogan, "Change." Its leaders claim that Zuma is morally unfit for leadership, pointing to corruption charges that are technically still outstanding. They claim to want the ANC to "return to its roots."

Behind this democratic rhetoric, there is a clear appeal to business. Lekota has implied that the SACP now has too much influence over the ANC under Zuma's leadership. "The ANC is NOT the SACP," wrote Lekota, "And the SACP is NOT the ANC." In fact the SACP has worked with the ANC ever since it came to power and so has COSATU.

Commentators have also pointed to an undercurrent of tribalist divisions with ANC supporters of Mbeki from the majority Xhosa group, complaining that too much power has gone to Zuma, a Zulu, whose supporters have taken to wearing tee-shirts proclaiming "100 percent Zulu boy".

Cope has had a less than auspicious start after two previous names put forward for the new party--South African National Congress and South African Democratic Congress--had to be dropped. The first was legally challenged by the ANC as too close to its name, the second was already the name of a South African political party

Internationally and in South Africa there are hopes within ruling circles that the new party can put pressure on the ANC, forcing it even further to the right as the conditions of the world market deteriorate.

At present the ANC, although it has suffered a decline in membership, can still attract mass electoral support from the majority of poor blacks. The emergence of this new party may, however, act as a valuable political lever for international investors and big business interests in South Africa.

It may even be able to form a government with other small opposition parties. Representatives of the small predominantly white opposition parties were allowed to speak at a convention heralding the new party last weekend. Helen Zille, leader of the Democratic Alliance, made it clear that an anti-ANC alliance was now a possibility.

Shilowa told the *New York Times* the event had cost more than $500,000, leaving no doubt that he was aiming to recruit powerful backers from the business world. The ANC and Cope are now locked in a struggle to prove their value to capitalism. Zuma may specialize in left wing rhetoric, but his political perspective is in reality very similar to that of the new party.

Within this split there is a large element of personal ambition, egotism and greed. Those that now find themselves out of power in the ANC stand to lose access to the means of enriching themselves. The struggle for political power has become in large measure a struggle for personal wealth.

Zuma was formerly Mbeki's deputy, but was removed in 2005 after he faced corruption charges. Zuma was elected ANC President last December, but Mbeki continued as head of state as the rivalry between the two factions escalated. Last month Mbeki was forced to resign after a court ruling withdrew corruption charges against Zuma and the judge criticised Mbeki for using state institutions to pursue Zuma through the courts.

The South African Communist Party (SACP) and a significant section of the trade union bureaucracy in COSATU back Zuma. He has won popular support by promising to improve social conditions for the majority of the black population who face record levels of unemployment and poverty, shortages of housing and

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lack of basic amenities.

Despite his left-sounding rhetoric, Zuma has been careful to assure world business and finance leaders that there will be no challenges to private property. Last month he visited the United States and held meetings with President Bush and Secretary of State Condoleezza Rice.

In a speech to the Council on Foreign Relations in Washington he insisted that "The situation is going to continue normally". He assured his audience that the ANC would not succumb to pressure from COSATU and the SACP and "move to socialism", saying he viewed them mainly as "a voice of the poor".

The new president Kgalema Motlanthe has retained Finance Minister Trevor Manuel, who is noted for his free market economic orthodoxy. This has been a vital signal in reassuring the markets.

Despite being president of the ruling ANC, Zuma cannot become president of the country until he wins a parliamentary seat in next general election. But Motlanthe is widely regarded a caretaker president until then.

Cope has so far failed to win large numbers of defectors and key figures have stayed within the ANC. But the breakaway is symptomatic of a massive political crisis in the ANC. Underlying that is the world financial crisis which has hit South Africa hard.

South Africa growth rates have averaged 5 percent in recent years. That has not been enough to prevent unemployment growing to an official level of 40 percent. If the ANC could not provide work for all in a period of economic expansion, they certainly cannot do it in the worst recession since the 1930s.

The gap between rich and poor has widened as a small elite associated with the ANC leadership have enriched themselves through share hand outs and outright corruption. Promised improvements in social conditions have not materialized. There is now deep anger and disillusionment in the ANC.

The SACP and COSATU have attempted to head off this mounting opposition in the working class and prevent it finding independent political expression. They have called strikes and protests and have built up Zuma as a supposedly oppositional figure. Their aim has been to keep the mass of the population tied to the ANC.

To the extent that the economic policies of the SACP and COSATU differ from Mbeki and Manuel, it is because they have called for slightly greater state investment in infrastructure and some national trade protectionism. There are many sections of capital that would welcome these policies. Mining companies have been forced to stop operations because power supplies are unreliable as a result of lack of government investment. Textile producers are struggling to compete with Chinese imports. But the SACP and COSATU falsely present their economic programme as a response to the needs of working people.

Under conditions of recession these policies are a pipe dream. Over the last year the South Africa currency, the rand, has fallen by over a third and even the most optimistic forecasts are for growth of only three percent. The falling rand has led rating agencies Fitch and Standard & Poor to downgrade South Africa's credit rating, making it increasingly difficult to borrow for infrastructure spending such as upgrading the electricity supply.

As commodity prices have plummeted--gold and other metals account for at least 40 percent of South Africa's export revenues--the current account deficit has risen to 7.7 percent of gross domestic product this year. Redundancies are already being reported in the manufacturing and mining sectors with Statistics SA reporting 71,000 jobs lost in the third quarter of this year.

Economist Iraj Abedian, who acted as adviser to Mbeki in the 1990s, was recently reported in *Business Day* warning ANC leaders that even left demagogy was unacceptable in the current economic climate. "Politicians are playing a very silly game at the moment. They seem to be totally oblivious to the realities of capital markets," he said. "If you are left wing you should be quiet, and not make too much noise."

Cope has got off to a rocky start, but it may well find that it is pushed to the fore if the ANC can no longer do the job that its big business backers require. Cope may become the party that the international capitalists identify as the one that can impose the cost of recession on the workers and poor of South Africa. Whether they succeed in creating a new party or not, what is clear is that the working class and mass of the population also need a new socialist and internationalist party that defends their interests.

Two decades ago the ANC, led by Nelson Mandela, was held up as the prime example for national movements and developing countries to follow. National economic programmes implemented by a new black bourgeoisie were deemed capable of overcoming the oppression of the majority black population, as well as providing jobs and economic security without challenging the capitalist social order. The impasse now facing the ANC cannot be covered over by denunciations hurled at the breakaway Cope faction, however blatantly egotistical their motives. Notwithstanding the sacrifices and struggles of the last decades, the current crisis is the ultimate outcome of bourgeois nationalism, enshrined in the very Freedom Charter that Cope claim to be reviving.

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