

ANC in crisis as President Zuma struggles to reassure big capital

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President Jacob Zuma delivered his annual state of the nation address February 12. He was deemed to have failed to reassure big capital of the ruling party's commitment to boosting economic growth—a euphemism for waging war on the working class, slashing public spending and privatising large sections of the economy.

This is despite the speech, which ran to more than 5,000 words, being strongly pro-business. Zuma stressed that he was taking business more seriously, saying, “We have heard the suggestions from [the] business community on how we can turn the situation around and put the economy back on a growth path.”

The president acknowledged the poor performance of the country's state-owned enterprises (SOEs), including the national airline and the electricity supply monopoly. He emphasised that SOEs need to be “financially sound”, as well as “properly governed and managed.” Zuma hinted at restructuring the SOEs, adding, “We have to streamline and sharpen the mandates of the companies and ensure that where there are overlaps in the mandates, there is immediate rationalisation. Those companies that are no longer relevant to our development agenda will be phased out.”

Zuma said government would “test the market to ascertain the true cost of building modern nuclear plants.” He emphasised, “We will only procure nuclear on a scale and pace that our country can afford.”

This was a climb-down from his previous position on the contested deal to acquire 9,600 MW of nuclear power from Russia. The Treasury opposed the contract, citing the estimated cost of an astronomical R1.4 trillion (US\$90 billion), while the pro-nuclear lobby put it at less than half that.

Zuma sought to convince the country that his government is getting serious about waste and corruption. Auditor-General Kimi Makwetu last year reported irregular expenditure of R25.7 billion (\$1.62 billion)

across national and provincial departments, and public entities, for the 2014/2015 fiscal year.

Mmusi Maimane, leader of the right-wing opposition Democratic Alliance (DA), said he expected Zuma to do much better. “The president was not bold enough on budget cuts,” Maimane complained. “He literally cut food and travel. Those are small things. The president should have announced the privatisation of South African Airways and other [SOEs] to make sure we can recoup the capital to finance the developmental projects. ...”

Maimane was referring to Zuma's contribution to the debate around South Africa's two political centres, Pretoria and Cape Town, which require politicians to maintain residences and cars in both capitals. In his address, the president called this “a big expenditure item”, adding that it “requires the attention of Parliament soon.”

Pieter Mulder, leader of the conservative Afrikaner-based Freedom Front Plus party, claimed the move towards one capital was mooted and should have been carried out in 1994. He cautioned that if it did happen, it would itself be an “expensive exercise that could take as long as 10 years.”

Zuma's state of the nation address came days after the country's Constitutional Court heard a concession, through Zuma's lawyers, that he is bound to carry out the remedial actions put forward by Thuli Madonsela, the public protector. In her report on an investigation into R246 million (US\$15.5 million) of public funds unlawfully spent on Zuma's family compound at Nkandla in KwaZulu-Natal province, Madonsela decreed that Zuma should pay back the cost of some of those renovations that were not security-related.

The ongoing Constitutional Court cases against the president and the African National Congress (ANC)-controlled National Assembly were brought separately by the DA and the Economic Freedom Fighters

(EFF), but are being heard together.

Appearing for Zuma, Advocate Jeremy Gauntlett said Police Minister Nathi Nhleko's report should have no standing in law. After being roped in by Zuma to chair an ad hoc parliamentary committee into spending at Nkandla, Nhleko declared in his report that Zuma was liable for nothing.

Advocate Lindi Nkosi-Thomas, appearing for Baleka Mbete, speaker of the National Assembly, conceded that "Parliament took a wrong position" on Zuma's liability regarding spending at Nkandla. The EFF's representative maintained that Mbete's decision to view the public protector's remedial actions as mere recommendations, and the National Assembly's support for parliamentary processes exonerating Zuma, amounted to failure to discharge their duty—namely "to call the president to account."

ANC Secretary-General Gwede Mantashe tried to put a brave face on things, claiming in an interview with radio station Talk702, "If you have not forced apartheid architects to apologise repeatedly for the suffering of millions of South Africans, I think you are exaggerating Nkandla."

Mantashe conveniently forgot that he is defending a president who heads a party that ensured the South African and international bourgeoisie's interests were safeguarded after the fall of Apartheid and at the expense of the working class. Moreover, he only recently assented to the release on parole of Apartheid-era state policeman and mass murderer Eugene de Kock.

According to veteran ANC member Ben Turok, "The ANC in Parliament is hugely embarrassed and [Zuma] has put good loyal comrades...in a false position, which they did not believe in." The indications are that the concessions before the Constitutional Court were made without consultation and without the knowledge of Zuma's fellow ANC members.

Advocate Gauntlett insisted that the court should not make a finding that Zuma breached the constitution. "[I]f [at] any time, either the official opposition or the EFF...wish to bring impeachment proceedings, they of course have that right", he said.

Referring to the country's economic malaise and the upcoming municipal elections, in which the ANC is expected to lose at least the two biggest metropolitan areas, Gauntlett reminded the judges, "This is a delicate time for society. ... [It] would be wrong for this court to be inveigled into the position of making some form of wide condemnatory order" that could be used by those seeking

Zuma's impeachment.

The EFF, led by Julius Malema, is making political capital from the crisis confronting Zuma and the ANC by posturing as a "left" anti-corruption alternative. The joint sitting of parliament prior to Zuma delivering his state of the nation speech saw noisy protests by EFF representatives dressed in red overalls and hardhats, after which they quit the chamber.

Malema declared, "He is not our president" and has launched a campaign #PayBackTheMoney, or alternatively "Zupta must fall"—a reference to Zuma's close links with the influential Gupta family and an echo of the EFF-influenced "Rhodes Must Fall" campaign in South African campuses.

Malema is calling for limited nationalisations and a leading role in the economy for the state, citing land and mining as areas where black South Africans need compensation. However, he has been forced to reassure big business that his stance is largely rhetorical.

The EFF is not proposing the shutdown of "private capital" but calling for a "mixed economy" with the state taking the lead, he said, during a debate organised by the Cape Chamber of Commerce in a plush hotel.

The nationalisation of banks was centred on the creation of a state-owned bank, rather than any targeting of existing banks.

This indicates how seriously anyone should take his call for 60 percent nationalisation of South Africa's mines—which would only mean in the end more places at the boardroom table for Malema and other black bourgeois figures than already exist under the Black Economic Empowerment (BEE) arrangements set up by the ANC.

On land reform, he stressed, "We do not want a Zimbabwe here. It has to be done legally in way that will not compromise the economy."



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