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South Africa

# Things fall apart - again

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**South Africa's deepening economic and social crisis is rapidly morphing into a political crisis. In turn, the political crisis is further undermining a stagnating economy. The political crisis centres on different components of the state that are involved in a series of proxy wars. At a recent NEDLAC Summit, the Deputy President, Cyril Ramaphosa, was forced to acknowledge the depth of the conflict: "We call upon the state machinery, if not to have a ceasefire, at least to act in a way that will not disturb the stability that our people call for."**

The undeclared war between President Jacob Zuma and his finance minister, Pravin Gordhan, goes well beyond conflict between different agencies of government. It stretches into the heart and soul of the ruling ANC.

## ANC at war with itself

The outcome of the local government election has deepened the crisis in the ANC and has put the dominant Zuma faction on the defensive. So deep is the crisis that the sycophantic SACP has finally broken ranks with Zuma and is organising against him. Several veterans of the movement have suddenly found their voice and are calling for the renewal of the ANC. Former Zuma loyalist, Mathole Motshekga, wrote recently:

"The greatest threat to the ANC and the country is factionalism. The party has been captured by a faction that has no capacity to lead government and society - and has no respect for internal democracy."

For different reasons and from different motivations, a number of bigwigs in the ANC oppose Zuma and his Premier League, the main faction backing Zuma. Cyril Ramaphosa, Gwede Mantashe, Blade Nzimande and of course Pravin Gordhan are increasingly concerned that Gupta-style state capture can lead to a credit rating downgrade and further weaken the economy.

The immediate source of the political crisis is the attempt by the Zuma-led predatory elite to gain control over the Treasury and various state owned enterprises. They have their eyes on several major prizes. These include the nuclear power build programme and the uranium mining that will supply the new nuclear plants; coal mining and various lucrative contracts with ESKOM; and the massive infrastructure build programme, including Transnet, SAA, etc.

It is likely that this crisis will drag on.

Firstly, it has not been easy for Zuma to dismiss Gordhan and the other Treasury officials who oppose the continued looting of state resources. Gordhan is highly respected, not just in the business community but within the ANC alliance and civil society more broadly. He is seen as a person of integrity and as someone who is opposed to corruption, cronyism and clientelism. He is also well respected within the circles of the liberation movement for the role that he played during the struggle against apartheid and in the underground.

Secondly, every move Zuma now makes to remove those in government he no longer trusts, deepens conflicts and polarises the factions inside the ANC as they vie for influence. The ANC's elective conference fast approaches. The Zuma-supporting factions do not yet have a clear candidate. This further weakens their position. Nkosozana Zuma may be too independent for the Zuptas.

Thirdly, and most importantly, every move Zuma makes highlights the structural weaknesses and contradictions of South Africa's economy. It is on the brink of recession. Several industrial sectors are in crisis, including mining and steel. With public debt growing alarmingly, the state is very vulnerable to the whims and fancies of international capital in the form of the credit rating agencies, institutional investors and the so-called "Eurosoemarkets".

## Why is it our concern?

For those of us who staunchly oppose the neoliberal economic policies that the South African Treasury doggedly pursues, it might seem strange and contradictory to enter the Zupta "Gordhan" fray. Why not just say a plague on both their houses?

The disaster of unchecked corruption under late capitalism, involving left wing governments such as in Brazil, Bolivia and Venezuela, warns us that corruption is a fundamental issue for the left. If we ignore it, we will create a space for populist and demagogic forces, such as the Philippines' new President, who believes in extra-judicial killings as a means of dealing with criminals and corrupt officials.

We therefore add our voice to those of other organisations in civil society to express our condemnation of this abuse of power and we warn of the danger of a creeping autocracy.

## Defend against autocracy

But here is where we depart from the position taken by many others. Our concern is not with threat of the credit rating agencies and a possible downgrade of South Africa's sovereign debt. We have been consistent in our critique of the economic policy and strategies of the Treasury and we do not retreat from that. We would support any attempt to unseat Gordhan and all his neoliberal friends from their occupation of the Treasury, if it was in the service of a rupture with the neo-colonial, dependent economy which they have given us. We would be quite prepared to take on the ratings agencies in the interests of building an economy which served the working class and the poor. We would celebrate if Gordhan and all he stands for was toppled by a popular movement that demanded beneficiation of our minerals and the creation climate jobs through massive investment in renewable energy and public transport.

But this is not the force that is intent on removing the Minister of Finance. On the contrary, it is a layer of predators intent on licking clean the carcass of the South African economy in order to enrich themselves. In order to be able to do so, they are willing to attack the institutions of a democratic state which were built from the struggles of the decades before 1994. They will destroy the criminal justice system. They will undermine parliament. They will use the security apparatus against anyone who stands in their way. They will create an environment in which it will be far harder for the forces of progress to operate freely.

That is what we mean by an autocracy, and that is what we must oppose. So we oppose these attacks on Gordhan because of where they come from and what they intend to do. And we will continue to condemn Gordhan ourselves for the ruthless war he is waging against the majority of South Africans.

Why this predatory elite?

But condemnation is not sufficient without understanding. We need to understand where this predatory elite comes from and how it was formed. Otherwise we will be in danger of simply replacing it with another, equally bad.

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A recent article by Roger Southall, published in the *Mail & Guardian*, points out that we shouldn't swallow the story that the good ANC of Mandela (and even the relatively good one of Mbeki) is being destroyed by the bad, corrupt Zuma and his friends. It is a nice, simple fairy story, worthy of the full Hollywood treatment. But it does not accord with the facts. In reality, it is the relationship with capital, constructed both before and after 1994, which has created the predatory elite that we love to hate now.

We have written before in *Amandla!* about Black Economic Empowerment. We have written of the National Democratic Revolution and its requirement to "re-racialise" capital and create a black middle class. Southall points out that the parastatals (as they were then), the State Owned Enterprises (as they are now) were key to this project. Parastatals accounted for around 15% of GDP. Control over that 15% through the state became a lever. Through the preferential procurement provisions of BEE legislation it was a lever over the other 85%, which was out of their direct reach. The tenderpreneurs who we all complain about so loudly are a structural consequence of this arrangement.

And Southall reminds us of a secondary requirement. The ANC needs funding for itself as a political party. We have all heard of the R1 billion that the party spent on the last election - Nomvula Mokonyane let that slip in an unguarded moment. How many of us have wondered where that came from?

As Southall puts it: "One of the key challenges is that the South African political economy continues to revolve around an odd combination of new (political) power without money and old money without power". Each needs the other to advance its interests. This is structurally disposed to favour corruption.

So the crisis that is both an economic crisis and a political crisis cannot be solved by changing the personnel in the leadership of the state. Nor, as the citizens of Tshwane, Johannesburg and Nelson Mandela Bay will discover, will it be solved by changing the party. The DA, interestingly, is just as opposed to revealing where it gets its money from as the ANC. It will only be resolved by structural change.

*Editorial of [Amandla!](#)*