



Cde Fikile Mbalula
Secretary General
African National Congress
Luthuli House
Johannesburg

Per email khos300@gmail.com
Nonhlanhla Nkabinde nkabinde@anc1912.org.za

Dear Cde Fikile,

URGENT: THE BLACK BUSINESS COUNCIL'S ANALYSIS AND RECOMMENDATIONS OF POSSIBLE COALITION OPTIONS FOR THE AFRICAN NATIONAL CONGRESS

I trust this letter finds you well.

The BBC is the over-arching confederation representing professional and business associations, chambers and corporates. The main purpose being to lobby government on policy and advocacy, in order to accelerate the participation of black South Africans in the mainstream economy.

The Black Business Council's analysis and recommendations of possible coalition options for the African National Congress

1. Introduction

The BBC is committed to meaningful and inclusive economic growth as a vehicle for the advancement of all South Africans. At the core of this noble mandate is recognising the significance of developing and implementing progressive policies and/or legislations which prioritise transformation and redress. As advocates of black businesses, we believe that long-term economic growth and the success of black businesses are intertwined with creating employment opportunities, growing the economy, alleviating poverty, and enhancing living conditions for all.

We take our mandate of initiating policies and driving thought leadership very seriously. We are at a watershed moment in our democracy. With the African National Congress having lost its outright majority, the threat of reversing the hard-fought transformation policy gains of the last three decades is real. The ANC still

Office Bearers

Elias Monage *President* | Gregory Mofokeng *Vice President*
Linda Maqoma *Vice President* | Princess Tsakani Nkambule *Treasurer General*
Dumisani Mpafa *Head of Policy* | Kganki Matabane *Chief Executive Officer*

15 Jubilee Street,
Parktown

e: info@blackbusinesscouncil.africa



holds the most votes of any party, which gives the party the first pick in terms of coalition partners. As is the case in any negotiations, we appreciate the fact that there will be many trade-offs. We see our role as that of providing advice on coalitions that do not derail South Africa from its transformation agenda.

2. Purpose of the paper

This paper aims to weigh various options available to the ANC and recommend options that are not only progressive but also advance the much-needed economic transformation and redress. The lack of economic transformation and redress remains the biggest threat to the national unity that our constitution envisions.

3. Options available to the ANC

➤ Option 1: The ANC forms a coalition with the Democratic Alliance (DA) (61,99%)

This option would likely see the DA control the running of the South African parliament by having its leaders occupy senior positions. It is an option that some have dubbed 'safe' and 'stable' option

Disadvantages of ANC + DA coalition

At an ideological and pragmatic level, the ANC and the DA are diametrically opposed to each other so much that it would be nearly impossible for each party to explain this union to their supporters. At a policy level, a union between the ANC and the DA threatens the many gains that the ANC made over the last decade. The DA campaigned on repealing progressive and race-based legislation, including the Broad-Based Black Economic Empowerment, National Health Insurance, the Expropriation Bill, and removing racial targets/quotas from Employment Equity and Preferential Procurement Acts. Repealing these acts and policies will lead to a regression at a time when more transformation and redress are needed. This scenario could be dubbed "Sehlare sa Mosotho ke Lekgowa". The optics won't look good.

Comment

For the BBC, the coalition between the ANC and the DA would have dire consequences for not just black businesses but also for the previously and currently disadvantaged black majority in dire need of redress and transformation. Given South Africa's past and current economic divide, the so-called merit-based system that the DA is proposing will favour white people with historically better resources to the detriment of the black majority.



➤ **Option 2: The ANC forms a coalition with the DA and Inkatha Freedom Party (IFP) (65,84%)**

The difference between this option and the first one is that it brings the three closer to two-third majority, while also accommodating the IFP in the executive and portfolio committees.

Disadvantages of a coalition between the ANC, DA and the IFP

Like the ANC, a progressive take on issues is at the core of the IFP's DNA. Most of the items listed in its 13-Point Manifesto Plan are largely based on the assumption that the party will improve on what the ANC has already done rather than abolish it altogether. Examples of this progressive stance include its take on healthcare and education. The DA's manifesto, on the other hand, even goes as far as proposing constitutional amendments to strip the president of some of his powers.

Comment

With the DA in control of parliament as a trade-off, progressive policies would be at the risk of being repealed. Furthermore, this coalition would stifle any new legislation in the areas of transformation and redress.

➤ **Option 3: The ANC forms a coalition with Mkhonto Wesizwe (MK) party (54,76%)**

In terms of policy alignment, the coalition between the ANC and the MK party appears viable. The MK party's stance on Education, Healthcare, Social Security, Human Settlements, Land, State-Owned Enterprises, Macro-Economic Policy, Transport and International Relations is progressive and builds on the foundation laid by the ANC government over the years. At the centre of many of the MK party's proposals is a focus on developing communities and empowering black people in the margins of the economy, small business owners, women and the youth.

Disadvantage of the ANC and MK coalition

The MK party has publicly declared that it could form a coalition with the ANC on condition that President Cyril Ramaphosa steps down from his position. This is an unlikely and non-starter scenario for the ANC.

Comment

The challenge with MK is that they seem to be advocating for the disregard of the rule of law and the South African constitution. This will be a challenge to the BBC as a law-abiding organization. The rule of law is sacrosanct.



➤ **Option 4: The ANC forms a coalition with Economic Freedom Fighters (EFF) and the IFP (53,55%)**

The coalition between the ANC, EFF and the IFP presents a progressive option for the ANC. These three parties' policies are mostly similar with diverging views on matters of nationalization and immigration management. A coalition between these three parties would secure progress and race-based policies required for equity and redress.

Disadvantages of the ANC, EFF and IFP coalition

Possible policy fractures can be anticipated on issues of nationalization and immigration management.

Comment

The majority of EFF and IFP policies are aligned to those of the ANC which makes a coalition with these parties worth pursuing in an attempt to create a progressive block of parties. The ANC will need to manage the personality in the EFF to ensure a stable coalition government.

➤ **Option 5: The ANC forms a coalition with the EFF, IFP and MK party (68,13%)**

The coalition between the ANC, EFF, IFP and the MK party would be a great victory for progressive policies. This is a coalition of parties with many policies in common in key areas. This coalition also guarantees the two-thirds majority threshold which is important for constitutional amendments.

Disadvantage of the ANC, EFF, IFP and MK party coalition

The MK party's condition to only go into coalition with the ANC if President Cyril Ramaphosa resigns would be a major stumbling block. For progressive policy and lawmaking, this coalition has the potential to generate great results.

Comment

The challenge with MK is that they seem to be advocating for the disregard of the rule of law and the South African constitution. This will be a challenge to the BBC as a law-abiding organization. The rule of law is sacrosanct.

➤ **Option 6: Government of National Unity**

This option would see the ANC invite all parties with parliamentary seats to agree to support each other and share positions in the government. Like the 1994 Government of National Unity (GNU), South Africa could end up with two deputy



presidents from various parties and various party members in different portfolios within the executive.

Disadvantages of a Government of National Unity

The main disadvantage of the GNU is that parties can decide to pull out of the agreements causing instability within the cabinet. This option arguably undermines the wishes of the voters, who in this case voted for a largely progressive government.

Comment

While this form of government worked after the 1994 elections, it is unlikely that it would succeed under current circumstances. In 1994, the ANC had won an outright majority, and the GNU was meant to symbolize a united nation that South Africa strived to become. A GNU proposal in the hands of the ANC could easily be seen as the party's attempt to cling to power even when its support is dwindling.

➤ Option 7: Minority Government

This option will see all the parties represented in parliament submitting a candidate and voting for the next president without any prior agreements. It creates an additional layer of elections. In this option, voters would have voted for the parties that would in turn vote for the president.

Disadvantages of Minority Government

This option is perhaps the most potentially unstable of all options. Since there are no agreements in place between parties, motions of no-confidence and changes in government would be a regular occurrence.

Comment

It would be near impossible for parliament to carry out its law-making mandate without any agreements between parties. Instability would be the order of the day, robbing citizens of a functional parliamentary system.

➤ Option 8: ANC, EFF, PA (51,76%)

The coalition between the ANC, EFF and the IFP presents a progressive option for the ANC. These three parties' policies are mostly similar with diverging views on matters of nationalization and immigration management and Israel/Palestine.

Disadvantages of Minority Government

This option is perhaps the most potentially stable of all options. The challenge may be how to manage personalities.



Comment

The ANC has partnered with the EFF and PA at the city of JHB and could manage to lead this coalition with relative ease.

4. Black Business Council's ANC coalition recommendations

The ANC should not lose its progressive soul in favour of what may seem to be an easy-to-negotiate coalition with the DA, without any potential for real policy gains. The BBC's recommended coalitions in order of potential progressive policy gains are as follows:

- 1. ANC, EFF, PA**
- 2. ANC, EFF and IFP**
- 3. ANC, EFF, IFP and MK**

➤ Respecting the voters' wishes

All these parties represent a progressive block in terms of their policy positions. This is one of the characteristics they have in common, with transformation and redress as their guiding principles.

Every political party must respect the mandate or wishes of the voters. By trusting the ANC with 40,18%, EFF with 9,52%, the IFP with 3,85% and PA with 2.06% of the votes, the majority of South Africans (55,61%) (68.23% if we add MK) voted for a progressive government. A coalition with the DA represents a subversion of the voters' wishes for a progressive government.

➤ The coalition equivalent of self-flagellation

The ANC has more to lose by entering a coalition with the DA than the latter. For starters, given the diametrically opposing policy positions between the two, the ANC will likely alienate the majority of its supporters (around 9 million or more if you add ANC members who are going to be disgruntled) by entering a coalition with its policy nemesis and clear racist party. The DA will control parliament and its law/policy-making function to the detriment of progressive race-based policies which the ANC and its supporters stand for.

➤ Fear of the ANC being cannibalized by the MK, EFF and IFP

Understandably, the ANC may fear being cannibalized by these potential partners given that the four compete for a similar constituency and the ANC lost its outright majority to mainly these political parties. The ANC stands a bigger chance of cannibalizing these coalition partners because many of their voters are disgruntled ANC supporters. In the eyes of these voters, this coalition has the potential to present the ANC as a party that is accommodating the issues which frustrated its



disgruntled voters, to begin with. It will demonstrate to these voters that voting for MK, EFF and the IFP is essentially voting for the ANC's long-progressive policy arm.

5. Conclusion

In the interest of transformation and uplifting the majority out of poverty, the ANC's choice of coalition partners should be based on progressive policy standpoints as opposed to personal preferences and anticipated 'easy' negotiations. The ANC must enter a coalition with parties with policies that align with the mandate of the constituency that voted for the ANC or risk alienating more supporters. This way the ANC can continue to protect the progressive gains it made over three decades.

We trust that our proposal will receive a positive consideration.

Kind Regards,

Chief Executive Officer
Kganki Matabane