

## **In the face of the evidence: will South Africa survive as a constitutional democracy?**



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### **Notes of Frans Cronje's briefings to concerned South Africans in July and August 2018**

Many years ago, I spoke on the same stage as a prominent Zimbabwean farmer who wept as he spoke of how he regretted that when they came to him he did not tell his countrymen what he feared the evidence clearly to show – about the trajectory of that country – but told them instead, in the face of that evidence, what they wanted to hear, that it would all be alright. Had they known what was coming, they might have averted disaster. So I will tell you what I think the evidence shows and how we should respond if we are to avert a disaster.

The context against which the current expropriation without compensation question has arisen is rarely articulated in the public domain. It is nevertheless essential in understanding both the crisis the government is hurtling towards and how to counter it.

One of the stupidest things the National Party ever did was, in the 1950s and 1960s, to hound a fairly moderate ANC into the arms of the Soviet Union and the East Germans. The Soviet embrace infused much hard-left thinking into the party which culminated in the ANC's 1969 endorsement of the theory of National Democratic Revolution (NDR), which had earlier (in 1962) been taken on board by the South African Communist Party.

The NDR theory was based on Lenin's theory of imperialism, which claimed that the wealth of the colonial powers arose solely from their oppression and exploitation of the colonised. From this foundation, Lenin argued that the purpose of anti-colonial revolutions must always be to dispossess the coloniser – and then embrace communism – failing which the colonised could never be free. The SACP made this theory applicable to South Africa by developing the notion of 'colonialism of a special type' – to mean that both the coloniser and the colonised lived together inside the same country, into which the coloniser had become permanently integrated. But, the argument went, despite that integration, white/capitalist prosperity remained solely the result of the oppression and exploitation of the black majority, and indeed prolonged that poverty – and that the coloniser, despite his integration, would have to be dispossessed if the colonised were ever to be free. The ANC has annually recommitted to the NDR, right up to this year.

Matters took a turn in Davos in 1991, when Nelson Mandela delivered an address in which he appeared to jettison such revolutionary dogma (the backstory is that he rewrote the paragraphs of the address prepared for him on economic policy – a great risk for him, as the ANC was yet to convene a major policy conference). He emerged from Davos to tell his party that Afro-socialist experiments had failed and that South Africa would pursue a more pragmatic path. He also lent his gravitas to his de-facto prime minister, Thabo Mbeki, who was then able to drive the Growth Empowerment and Redistribution, or GEAR, policy. This, for most intents and purposes (and despite internal contradictions), was run-of-the-mill common sense that respected property rights and the primacy of a market economy.

During the Mbeki years, the pragmatism of GEAR, coupled with a measure of very good fortune, saw a budget deficit inherited at levels of around -5% transform into a

surplus thirteen years later. The debt-to-GDP ratio was halved, while the economic growth rate rose (with the help of the commodities boom, and untapped consumer potential) to over 5% between 2004 and 2007 – the first time since 1970 that growth at this level had been maintained for four years. The results in terms of living standards, jobs, and the roll-out of welfare were impressive, yet while public opinion and ANC electoral performance indicators peaked, Mr Mbeki's ideological adversaries within the ANC and the SACP seethed with resentment.

As Mr Mandela's influence faded, Mr Mbeki would make two unrelated strategic mistakes that later intersected to fundamentally alter South Africa's policy trajectory and lead directly to the crisis we confront today. The first was to send the charismatic Jacob Zuma to wrest the rural Zulu nationalist vote from Inkatha, without appreciating that if Mr Zuma succeeded (where both Mbeki and Mandela had failed) he would come to inherit the mantle of Zulu nationalism and wield it as a weapon in the ANC – exactly as came to pass. The second was on HIV and AIDS. Here, Mr Mbeki's missteps allowed the long isolated Left within the ANC to regroup, fundraise, and develop platforms of influence around the AIDS pandemic that they later used to stunning effect to attack Mr Mbeki's economic policies and to turn public and popular opinion against him.

Those two mistakes led to Mr Mbeki's defeat at Polokwane in 2007. The Left was happy to exploit Mr Zuma's populism to eject Mr Mbeki, while Mr Zuma was happy to ride the wave of ideologically inspired anti-Mbeki media sentiment crafted by the Left. After Polokwane, the Zuma camp would go on to loot the state, while the Left clawed back many of the levers of policy influence they had been denied since Davos in 1991. That these shifts further coincided with the global financial crisis in 2008 created the perfect governance, policy, and economic storm and the results were catastrophic. Debt levels more than doubled. The budget deficit again plumbed apartheid-era lows. Fixed investment flows turned negative, making the country an exporter of scarce capital. Growth rates fell to a low of 0.3%.

The political consequences were as severe. Popular confidence in the future of the country is down 40 percentage points from that of a decade ago. Violent anti-government protests are up almost 300%. These and other trends generated the

once (for ANC leaders) unthinkable proposition of the ANC surrendering its national majority, and of doing so as early as 2019. That fear triggered an internal power struggle between the 'leftists' and the 'looters', as both sides sought to escape responsibility for the ANC's reversals – a fight in which the Left ultimately prevailed by using the thesis of 'state capture' to discredit Mr Zuma and bring Cyril Ramaphosa to power as ANC leader. However, this was by the narrowest of margins – 179 votes out of over 4 700 delegates. And while state capture had undoubtedly done much damage, it was only a part of the problem – and in our judgement not the leading part.

The real, deeper, and broadly unacknowledged source of the crisis (particularly after 2013, as South Africa's growth trajectory departed from that of the rest of the world), is that after Polokwane the ANC turned its back on Mandela's 1991 ideological turn and allowed the Cabinet to champion hard-line statist policies (from the cancellation of more than ten bilateral investment treaties, to mad immigration rules, the National Health Insurance proposal, higher minimum wage laws, and the draft mining charter – among many others) that vilified the market economy, property rights, and racial minorities as obstacles to the social and economic liberation of black South Africans – while fending off critical scrutiny by appealing to base racial nationalist sentiment around questions of transformation and empowerment. And the manner in which that sentiment was unquestioningly taken on board in the media, civil society, opposition politics, and business was the single greatest success of the NDR strategists – and is directly responsible, more than anything else, for the crisis our country confronts. Today those same ideologues are still in the Cabinet pressing ahead with the NHI (which is essentially EWC for the private healthcare industry), and a mining charter that contains provisions that amount to EWC of mining investment, all the while turning the screws on ever more onerous racial empowerment dictates. What the agriculture sector is experiencing now is, therefore, not unique – and EWC has and will continue to spread its tentacles to wherever there is wealth to be extracted or 'colonial relics' to be destroyed.

Nor, as some analysts continue to suggest, does the present threat to property rights owe its origins to the ANC policy conference last December and can be regarded simply as a short-term political stratagem that will be abandoned as soon as the next

election has passed. There is a clear pattern of policy that predates that conference. To trace its recent origins, go back at least to the 2007 attack on the willing-buyer/willing-seller policy at the ANC conference in Polokwane that informed the content of the draft Expropriation Bill of 2008, which in turn informed the dropping of the Proactive Land Acquisition Strategy in 2010, the drafting of the agriculture green paper of 2011 which forewarned of every risk from land ceilings to EWC – all of which would be drafted into policy and legislation within the next six years – the 20% proposal in the National Development Plan of 2012, the 50/50 proposal that came hot on its heels, the Land Restitution Amendment Act of 2014 that sought to provoke hundreds of thousands of new land claims without the budget to finance them, the subsequent Property Valuation Act via which the state sought to escape that budgetary bind, the Agri Land Bill that sought to make the state custodian of all agricultural land as the Green Paper had warned – thereby escaping any budgetary bind at all – the Regulation of Land Holdings Bill that would cap farm sizes and force farmers to surrender the surplus, and now the proposed amendment to the Constitution. Yet even this chronology contains just some prominent markers in the pattern; our analysts tracked 35 separate legislative, policy and regulatory attempts to erode property rights broadly since 2017 – all of which built one upon the other in a systematic and ordered manner.

What South Africa's farmers face today is therefore not about poverty, or public pressure, or even land itself. They have been swept up in a far deeper political and ideological conflict, the battle of ideas, over whether South Africa will survive as a modern, free, and open society or whether it will sink into a socialist and later communist morass of poverty, oppression, and state control. It is a battle for the survival of the Judeo-Christian ethic in southern Africa. And what happens to farmers is very much the litmus test of who will win that battle – meaning, and given what is at stake for the whole country, that in many respects all South Africans are commercial farmers today.

For the time being, farmers will remain very much at the sharp end of that battle given the extent to which a decade of virtually unchallenged hate-filled rhetoric, racist propaganda, and falsehood has been directed against them and what they represent – that they stole the land, abuse their workers, refuse to work towards a better South

Africa. Have no doubt that the propaganda was intentional to so stigmatise them that no one would dare come to their defence when the government inevitably turned on them – and used their case to erode property rights not just with respect to land but across the economy.

It was a terrible mistake for the agricultural industry therefore not to challenge the propaganda just as it was a terrible mistake to dismiss the post-2007 policy pattern, and the ideology that underpinned it. All were parallel and related processes designed to check-mate the industry into negotiating the terms of its own demise – within frames of reference set by its ideological opponents – a process from which you can draw a direct line to Mr Ramaphosa's announcements last week.

As you break down the myths and falsehoods, you realise that EWC is not about land at all – but about four other things. The first is an incompetent attempt to outmanoeuvre the EFF on land. But that has backfired spectacularly with the EWC issue creating new and previously undreamed of political platforms for the EFF – such as their virtual chairing of public land hearings (although we have ever more reason to believe that the two parties are working hand in glove towards their reunification). The second is an attempt to extend as a general principle of law the idea of a regulatory or custodial taking and thereby eroding property rights generally – something that can succeed minus a Constitutional amendment. Land is just the thin edge of the wedge, as the current NHI policy proposal reveals. The third is to try and unite the tripartite alliance. Unity is a greater policy priority for the ANC than reform and to unite a political movement, you need an enemy and the years of mostly unchallenged political and media propaganda against commercial farmers has allowed the government to portray them today as an enemy of the people. The fourth is to open the way to the erosion of civil rights broadly, given the likely future threats to the ruling party's political hegemony, and given that property rights anchor human liberty in all free societies. Step by step, the components of a downward economic, social, and political spiral are assembled and put into motion.

Whether these dangers can be countered and later reversed depends on one thing alone; the future trajectory of South Africa's battle of ideas. 'Battle-of-ideas' theory, in which we are much practised, holds that the winner in any public policy struggle will

ultimately be the side that injects the greatest volume of compelling argument into the public domain. Hence, farmers' current predicament at the end of a decade of virtually unanswered public stigmatisation.

My group's ethos and methods are aligned very closely to the idea that the war in Vietnam was lost in America's living rooms and on the streets of Washington and not in the jungles of Southeast Asia. Put differently, it is the ability to shape and command public opinion that determines public policy. This is something the ANC understands very well – their strategy and tactics documents are a masterclass in the theory. It is quite pointless, in our experience of many decades, to seek to convince a politician to change his or her mind if that politician cannot at the same time be convinced that the balance of power in public opinion is against him or her – and I am ever more certain, as one of the great veterans of these battles put it to me recently, that the ANC will not change its mind on this issue. But it may change its perception of the balance of forces – and only then may it pull back.

Public opinion is the most powerful policy asset there is. As long as that opinion continues to be driven in favour of statist economic interventions, South Africans have ever-diminishing odds of securing their property. The agricultural industry and business in general, I am afraid, remains virtually absent from the battle for public opinion, while the political opposition is close to useless, and organised business is too enraptured with the new administration to see where the country is being led. All that is left is you, the individual, and whether you will get into the game – because if you do, then the tide may just turn. But before that, make a decision – a decision that you are not going to sit back and put up with the abuse, the insults, the racism, the vilification, and the threats. Stand up and fight. On your side are millions of people just like you (we seen them in our polling) – hard-working, law-and-order people – black and white, who want exactly what you want for our country.

My colleagues and I fight for you and for them every day to counter the stigmatisation, mitigate the most destructive of the government's proposals, educate the public of the consequences, hold the line on the importance of property rights, and use all that to turn public opinion in order, in time, to turn the policy. Their efforts have secured over 750 opinion articles, letters, interviews, and related media citations on EWC alone since the first of January. They have directly lobbied over 80

groups from political parties to chambers of commerce to governments and agencies (of which over 40 took place in Europe and America) on why they need to act to oppose EWC. They have left the South African government and the ruling party in no doubt as to the political and economic hell they are marching themselves towards.

Join us in that fight or you will remain isolated and alone, frightened and powerless, and you will be ground down and eventually wiped out. By force of numbers we can better prosecute the battle of ideas and turn public opinion, opening the way for sane policies that respect property rights and South Africa's future as a market economy – and thereby its future as a constitutional democracy.

Change in societies happens at points of crisis – and the direction of that change will usually follow that of the group which had the greatest influence on public opinion at the time of the crisis. The crisis is not far off now, the government is hurtling towards it – and South Africa will be in near catastrophic social, economic, and political peril within a few short years. With your support, we will increase the probability that, when South Africa hits its next major crisis, the ideas we have articulated will define the policies that are adopted in the era that follows the crisis.

I cannot guarantee you that we will win – because it is late in the day and because it is now more apparent than ever that those who, against our repeated advice and in the face of the evidence, assured you that there was nothing to fear have been wrong all along. But I can tell you that we will fight; as hard as we can, until there is nothing left, so that we know we did all we could. And you must fight now, too, so that you will know that also – that you did not just walk quietly away into the night. But I can guarantee you that if you do not fight, this is a battle you will lose.