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# Business gets serious over lobbying at Mangaung

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For the first time in the run-up to an ANC elective conference, business has produced official lobbying documents, writes Carol Paton

FOR the first time in the run-up to an African National Congress (ANC) elective conference, business has produced official lobbying documents, in the hope of influencing policy outcomes.

In the past, business relied on its own key individuals to lobby key individuals in the government, but all that has changed in the five years since Polokwane. The ANC now really does set the parameters of policy, rather than belatedly getting to hear of government policies and programmes that don't always fit with the letter and spirit of resolutions.

But organised business — especially big business — has lost influence both within the ANC and in the government, hence the new direct efforts to lobby the ANC's economic transformation committee. This committee, chaired by former public enterprises deputy minister Enoch Godongwana, is responsible for drafting the economic discussion papers and will play a leading role in writing the final resolution on the economy that emerges from the Mangaung conference.

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The loss of influence came with the departure of Thabo Mbeki as the head of government and the ANC. Mbeki established mechanisms — such as the big business working group — through which channels of communication were established. The captains of industry complained about the efficacy of the forum, but since its demise under President Jacob Zuma, they may now regret what they have lost.

The best channel of communication, though, was that between trusted friends Mbeki and ANC heavyweight and business luminary Saki Macozoma — which frequently saved the day when the going got rough. Although Macozoma is still president of Business Leadership South Africa, which represents the biggest companies on the JSE, Business Unity South Africa (Busa) and not the richer, more resourced body is the official channel through which the government talks to business.

Busa, which counts Business Leadership South Africa as member, lacks the real clout that the latter wields in the economy. Rather than accurately reflecting "organised business" or "real business" Busa is best described as "political business". While it is active in the National Economic Development and Labour Council it is astoundingly ineffective, sends low-key individuals without any substantial business or political connections, and communicates badly. Busa's key role has been in the selection of delegations to accompany Zuma on foreign visits, using the power of the state to latch onto business opportunities.

Not surprisingly, then, the lobbies have come forward of their own accord. But how effective have they been in persuading the ANC to take the needs of business seriously?

The first emerged under the auspices of the Banking Association of South Africa, which wrote a response to the ANC's economic transformation document. Later, CEs of several of the top banks met members of the economic transformation committee. In their paper, the banks challenged the philosophical approach of the ANC to the economy, arguing against the "developmental state" and in favour of a "facilitative state", of which the primary role in the economy would be creating a better environment for doing business.

This is really the nub of the problem: if the state was to focus simply on getting the basics of the business environment right, business, job creation and the economy would be so much stronger. But asking the ANC to change its philosophical outlook — particularly as expressed in a conference resolution, which (in the ANC's book) must be "revolutionary" — is really a fruitless exercise.

The banks had a little more success in getting across one of their key points: their opposition to a policy of prescribed assets classes — one of the suggestions made in one of the ANC papers. By clearly indicating their openness to some kind of voluntary approach to this, the banks probably did the savings industry a bit of a favour. The likelihood of a preference for prescribed assets of finding its way into the final resolution, is small.

The second lobbying group was the Manufacturing Circle, a group whose key interests — a competitive exchange rate, industry support measures and protection from "unfair" competition — often run counter to the more free-market approach of the financial sector. The manufacturing sector, however, has a ready-made advocate in the ANC in the form of Trade and Industry Minister Rob Davies, who can be expected to push for them not just in Mangaung, but at every available opportunity. Their voice does help to strengthen his hand.

If the economic transformation resolution from Mangaung includes an insistence that the government does all it can to flatten the electricity price, their constant lobbying will have a worthwhile payoff.

• *Paton is writer at large.*

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