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President Cyril Ramaphosa (2018-present) signs the controversial Electoral Amendment Bill into law on 17 April, implementing a new electoral system in South Africa. Opposition parties and civil society organisations announce plans to challenge the constitutionality of the new law. The official opposition party Democratic Alliance (DA) invites other opposition parties to discuss a possible grand coalition ahead of the 2024 general election. This could be a beneficial development as a pre-election coalition agreement will avoid the current instability in municipal councils. This is best illustrated by Johannesburg mayor Thapelo Amad resigning on 24 April, less than three months after assuming his position. Loadshedding continues to be the most serious economic and operational concern in the country. Experts warn that the situation will worsen in the coming winter months.

Controversial electoral amendment bill signed into law

President **Cyril Ramaphosa** (2018-present) signed into law the **Electoral Amendment Bill** on 17 April, bringing a new electoral system in **South Africa** into existence and enabling the **Independent Electoral Commission (IEC)** to finally begin preparations for the 2024 general election.¹ Worryingly, the IEC now only has just over a year in which to implement this new system instead of the two years the commission has previously said it needs to organise a national election.

Parliament passed the final draft of the bill on 23 February despite stiff opposition from nearly all political parties. The ruling **African National Congress (ANC)**, which has a majority in the legislature, pushed the bill through with the help of opposition party the **Economic Freedom Fighters (EFF)**.² Civil society, election experts, and opposition parties have widely criticised the bill, claiming that it is poorly structured and will weaken South Africa's institutional democracy rather than strengthen it. The bill has further been criticised for creating an ineffective electoral system that will largely benefit the ruling ANC.

The creation of a new electoral system was necessitated by a constitutional court ruling in June 2020 which found that the country's current proportional representation and party-based system essentially put the right to run for public office and the right to the (non) association at odds.³ Accordingly, the court ordered parliament to introduce electoral reforms to enable independent candidates to contest elections. However, instead of simply replicating the country's local government elections system in which municipal councils are split with half of the seats being selected via proportional representation and the remaining half will be filled through direct constituency-based elections, the government proposed a unique untested system.

Under the proposed system, the **National Assembly** will be divided into 200 proportional representation seats and 200 'compensatory seats'.⁴ These latter seats will not be selected via constituency-based elections but on a unified ballot in each province. Citizens voting in the national election will receive two ballots - the first one will include a list of political parties contesting the proportional representation vote; however, the second ballot will include both political parties and independent candidates. This means that independent candidates will be contesting directly against

¹ News24, 17 Apr 2023

² EWN, 23 Feb 2023

³ Saflii, 11 Jun 2020

⁴ News24, 19 Apr 2023

political parties themselves. This heavily disadvantages the independent candidates as they are unlikely to have the financial and logistical resources to compete with political parties.

Furthermore, political parties will gain from any excess votes that an independent candidate may receive. For instance, if a candidate only needs 10,000 votes to be elected to the legislature and they receive 30,000 votes because they are a popular figure, the remaining 20,000 votes will be distributed among political parties based on their size, even though these 20,000 voters overtly did not vote for any political party.⁵ As such, the new system could create a system where votes are not equal and may even be overtly disregarded.

Further disadvantaging independent candidates, the new law requires these candidates to obtain between 10,271 and 13,890 signatures (depending on the province) to be included on the ballot while a political party only has to secure 1,000 signatures to be included on the same ballot.

Unsurprisingly, a group of political parties and civil society organisations intend to challenge the constitutionality of the new system. **Build One South Africa (BOSA)**, the **Independent Candidate Association**, and the **New Nation Movement** have declared their intention to challenge the new law before the constitutional court.⁶ It should be noted that this new system was selected against the majority advice of the Ministry Advisory Committee (MAC) which was formed in the wake of the court ruling to propose electoral reforms. This MAC – which was led by respected ANC stalwart **Valli Moosa** – recommended a system akin to the local government elections which includes both proportional representation and constituency candidates.⁷

The undemocratic nature of the new system has drawn allegations that the ANC pushed for it to improve its chances of retaining majority control of parliament even if the party loses the majority of votes. The ruling party is experiencing rapidly declining approval rates due to ongoing service delivery failures, most notably its failure to end the load shedding energy crisis.

However, the impending constitutional court challenge to the electoral amendment law is unlikely to be successful, as the court will likely prioritise the need to hold the general election in the first half of 2023. However, the court may order parliament to address the law's most blatant constitutional failings such as the unequal signature requirements.

Opposition parties to discuss coalition ahead of 2024 elections

The introduction of a new electoral system has incentivised opposition parties to think about how best to approach the 2024 election. Already, there was a sense that the 2024 elections will be the first best opportunity for the opposition to bring the ANC's share of the vote to below 50%. In light of these ambitions and the new electoral system, the official opposition party the **Democratic Alliance (DA)** has proposed coalition/alliance discussions with several other opposition parties.⁸ **ActionSA**, the **Inkatha Freedom Party (IFP)**, the **Vryheid Front (VF) Plus**, the **National Freedom Party (NFP)** and the **United Independent Movement (UIM)** all responded very favourably to this invitation.⁹ The **United Democratic Movement (UDM)** and the **African Christian Democratic Party (ACDP)** rejected the invitation saying that the DA has adopted a patronising stance but noted that they would be open to coalition negotiations after the elections.

The DA has termed these talks the 'Moonshot Pact National Convention', a strangely Americanesque term to try and capture the lofty idea of a grand coalition. DA leader **John Steenhuisen** has made it clear that he views the aims of any possible coalition to both remove the ANC from power and ensure that the EFF does not gain access to the national government through a coalition with the ANC.

⁵ Daily Maverick, 20 Apr 2023

⁶ News24, 19 Apr 2023

⁷ PMG, 29 Nov 2022

⁸ M&G, 17 Apr 2023

⁹ TimesLive, 14 Apr 2023

It is currently unclear what form of coalition or alliance the DA intends to propose to the participating parties. The DA will also need to be uncharacteristically compromising to secure any alliance as the party has historically been adamant about holding the commanding positions in coalition governments or wanting power divided proportionally to the number of seats in a legislature. However, such an approach rarely works in building a unified coalition. Typically, the more powerful players need to accept a reduced role in order to ensure that the smaller, but important players, are brought on board. A potential sticking point would be if a potential coalition would put forward a unified presidential candidate. Other parties will likely hesitate at assigning Steenhuisen this role given his unpopularity with the electorate at large.

The new electoral system does, however, provide new areas of cooperation. The various opposition parties could agree to a common slate of candidates thus ensuring that they pool their votes to elect the 'compensatory seat' candidates. These parties also likely see the need to ensure that they are also on the same page regarding coalition agreements ahead of the election. The past few years have witnessed instability in the country's municipal councils due to unsteady coalitions. If these parties enter coalition discussions from a unified position, there is a stronger possibility of building a stronger coalition in the wake of the general election. This will be especially important in the **Gauteng, KwaZulu-Natal, Free State, and Northern Cape** provinces where the ANC's continued rule is under threat.

Instability continues in municipal councils

The inability of political parties to form stable coalitions has continued to undermine service delivery in South Africa's various municipalities. **Johannesburg** mayor **Thapelo Amad** resigned from office on 24 April less than three months into the job after it became evident that he would lose a vote of no confidence called for on 25 April.¹⁰ Johannesburg is set to elect its fifth mayor since the 2021 local government elections and its ninth since 2016. This has caused deep instability within the city's government as every time a mayor is replaced so is the mayoral committee. The frequent changes have resulted in widespread uncertainty and the inability of key municipal departments to appoint essential staff and implement projects.

There is no clear successor to Amad, but his **Al Jama-ah** party is pushing for another one of its three councillors to be elected mayor while city council speaker **Colleen Makhubele** of the **Congress of the People (COPE)** party is believed to want the top job. There is a strong possibility that a councillor from a small party will be chosen as the ANC and EFF refuse to support one another's candidates despite being in coalition on the council. There is a possibility that the DA-led coalition will be able to get their candidate elected; however, this will rely on support from the **Patriotic Alliance (PA)**. The DA has refused to work with the PA due to that party's past capricious behaviour of swapping its support to whoever will give it the best deal possible.

The **City of Tshwane (Pretoria)** appears to have finally calmed its instability after the DA's **Cilliers Brink** was elected mayor on 28 March.¹¹ Brink's election was necessitated after former mayor **Randall Williams** resigned after his working relationship with other coalition parties become untenable. However, the transition was disrupted after some coalition councillors defected and instead voted for COPE's **Murunwa Makwarela** as mayor who was forced to resign after 10 days after revelations that he lied about his insolvency and forged court documents to cover it up.¹²

In an unexpected development in **Mangaung (Bloemfontein)**, the **Afrikan Alliance for Social Democrats' (AASD) Papi Mokoena** was elected as mayor on 14 April despite the ANC having a slim majority on the council.¹³ This was due to two ANC councillors – who had been suspended from the party – defecting to vote for Mokoena. The ANC caucus had boycotted the council meeting. The ANC has

¹⁰ Daily Maverick, 24 Apr 2023

¹¹ M&G, 28 Mar 2023

¹² News24, 3 Apr 2023

¹³ OFM, 15 Apr 2023

since successfully secured a court interdict preventing Mokoena from assuming his duties, meaning that the city is currently without a mayor.

These incidents underscore the growing instability of coalitions in the country's municipalities and raise concerns for the future of provincial or even national coalition governments. The country's parties need to adopt a fundamental paradigm change to better cooperate or parliament needs to introduce legislation which will stabilise coalition governments.

Loadshedding worsens as winter approaches

The ongoing electricity supply crisis has remained South Africa's most severe economic and operational challenge. In the past month, the state power utility **Eskom** has repeatedly needed to implement Stage 6 load shedding, which requires reducing the demand on the grid (the load) by at least 6,000 megawatts (MW). This has translated into much of the country experiencing up to 12 hours without electricity a day. Illustrative of the economic harm caused by this crisis, **the South African Revenue Service (SARS)** revealed on 4 April that over R60 billion (\$3.2 billion) of tax revenue was lost as a result of the reduced economic activity due to load shedding.¹⁴ According to SARS, businesses lost at least 3,000 hours in production time during the year; the highest loss in five years.

This worsening crisis is particularly concerning as South Africa is nearing its winter period (June-August). Colder temperatures and shorter days will result in a cyclical increase in electricity demand which, in turn, will place increased strain on the grid. This will likely lead to a higher rate of breakdowns at power plants and increased load shedding. Experts have warned that the country could experience its worst levels of load shedding yet – Stage 8 and above – in the coming months.

The load shedding crisis has worsened despite the creation of a minister in the presidency for electricity at the start of March. Almost two months into his tenure, it is still unclear what powers electricity minister **Kgosientso Ramokgopa** will be assigned. This is reportedly due to mineral resources and energy minister **Gwede Mantashe** aggressively fighting to retain the powers of his energy portfolio.¹⁵ Mantashe is a key ally to Ramaphosa and was a major force in getting the president re-elected as ANC president in December. As such, it appears Ramaphosa is reluctant to override Mantashe even though Ramokgopa needs to assume many of the energy minister's powers to implement his 18-month plan to end load shedding.¹⁶

Ramokgopa introduced this plan to the ANC's **National Working Committee (NWC)** and **National Executive Committee (NEC)** on 22 April.¹⁷ The fact that the minister presented his plan to the ruling party's internal committees and not the cabinet or parliament underscores how deeply politicised the issue has become within the ANC. This politicisation has contributed to the paralysis in the state's response to the crisis. In his plan, Ramokgopa proposes introducing 12,000MW of additional capacity by delaying the decommissioning of ageing plants and purchasing a further R30 billion (\$1.64 billion) of diesel to run emergency generators. However, it should be noted that these plans could endanger the \$8.5 billion developed countries have committed in funding to finance South Africa's just energy transition.

Planner

23-24 Aug 2023 **Johannesburg (South Africa)** South Africa to host the 15th **Brazil, Russia, India, China, South Africa (BRICS)** summit;
2024 **(South Africa)** General election;

¹⁴ EWN, 4 Apr 2023

¹⁵ News24, 23 Apr 2023

¹⁶ News24, 22 Apr 2023

¹⁷ News24, 22 Apr 2023

Chronology

25 Apr 2023 **Johannesburg (South Africa)** *Business Day*. Electricity minister **Kgosientsho Ramokgopa** reports that the cabinet is likely to approve the bid window of over 15,000MW of additional renewables;

22 Apr 2023 **Pretoria (South Africa)** *The Namibian*. President **Cyril Ramaphosa** hosts his **Namibian** counterpart President **Hage Geingob** for a state visit;

21 Apr 2023 **Saldanha Bay (South Africa)** *News24*. The **Democratic Alliance (DA)** announces that 11 council members and former party members from the **Patriotic Alliance (PA)** and **Good** parties have joined the DA;

21 Apr 2023 **Johannesburg (South Africa)** *News24*. Constitutional court rules that displaying the **Apartheid** flag constitutes hate speech;

20 Apr 2023 **Johannesburg (South Africa)** *BusinessTech*. President **Cyril Ramaphosa** signs the **Employment Equity Amendment Bill of 2020** into law, heralding several new controversial transformation laws that give the employment and labour minister wide-ranging powers to establish set employment equity targets across various sectors of the economy;

19 Apr 2023 **Pretoria (South Africa)** *EWN*. **Statistics South Africa (StatsSA)** reveals that consumer price inflation increased to 7.1% in March from 7% in February raising expectations of future interest rates hikes;

19 Apr 2023 **Johannesburg (South Africa)** *News24*. New political party **Rise Mzansi** launches at an event at **Constitutional Hill** in Johannesburg;

16 Apr 2023 **Johannesburg (South Africa)** *Business Day*. State-owned power utility **Eskom** appoints **Bheki Nxumalo** as its new group executive for generation, a role he held from July 2019 to August 2020, as breakdowns of more than 17,000MW of generating capacity place the national grid under severe pressure, leading to even higher levels of load-shedding and curtailment;

13 Apr 2023 **Johannesburg (South Africa)** *EWN*. President **Cyril Ramaphosa** announces at the fifth **South Africa Investment Conference** that the country's investment drive surpassed its R1.2 trillion (\$66 billion) target;

11 Apr 2023 **Pretoria (South Africa)** *EWN*. The **Gauteng** high court in **Pretoria** begins hearing arguments challenging the government's plan to cancel the **Zimbabwe Exemption Permit (ZEP)** programme and report thousands of Zimbabwean nationals;

11 Apr 2023 **Johannesburg (South Africa)** *Business Day*. **Stats SA** data shows that South Africa's manufacturing output fell 5.2% year-on-year in February, reflecting the cost of power cuts on food manufacturers and allied sectors;

9 Apr 2023 **Pretoria (South Africa)** *News24*. The Presidency reveals its intention to send a diplomatic envoy to the **United States (US)** to ease tensions on South Africa's current **Russia** policy;

7 Apr 2023 **Madrid (Spain)** *Swazi Daily News*. The **Spanish** government announces plans to provide South Africa with \$2.3 billion in funding for the country's energy transition;

6 Apr 2023 **Pretoria (South Africa)** *News24*. President **Cyril Ramaphosa** extends the deployment of **South African National Defence Force (SANDF)** troops in **Mozambique** and **Democratic Republic of Congo** at an additional cost of approximately R2 billion (\$110m);

5 Apr 2023 **Pretoria (South Africa)** *News24*. The government officially ends the state of disaster called for the electricity crisis;

4 Apr 2023 **Cape Town (South Africa)** *EWN*. The **Council for Scientific and Industrial Research (CSIR)** estimates that cybercrime costs the country around R2.2 billion (\$120m) a year;

1 Apr 2023 **Johannesburg (South Africa)** *EWN*. The **Democratic Alliance (DA)** holds its elective conference during which incumbent leader **John Steenhuisen** is re-elected;

1 Apr 2023 **Johannesburg (South Africa)** *News24*. The **African National Congress (ANC)** reveals that it sent a delegation to **Russia** to ease relations and discuss the challenges created by the **International Criminal Court (ICC)** issuing an arrest warrant for Russian President **Vladimir Putin**;

31 Mar 2023 **Johannesburg (South Africa)** *Business Day*. South African Reserve Bank (central bank) quarterly bulletin shows net capital inflows increased to R23.5 billion (\$1.3 billion) in the fourth quarter of 2022;

30 Mar 2023 **Johannesburg (South Africa)** *Business Day*. The rand gains the most in two months as the **South African Reserve Bank** (central bank) surprises with a 50-bps hike;

28 Mar 2023 **Johannesburg (South Africa)** *Business Day*. **Statistics SA** shows in its quarterly employment survey, which excludes agriculture and private households, that South Africa's formal employment rose by 48,000 in the fourth quarter to nearly 10 million;

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