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Research Report

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SWP Comment

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South Africa's Social and Political Challenges

Covid Exacerbates Socioeconomic Inequalities amid ANC Infighting

Melanie Müller

Political and social relations in South Africa are eroding. This is the result of structural changes and concurrent developments that mutually reinforce each other. Any hopes of generating tourism revenue in the months of November 2021 to February 2022 have been dashed by the international travel restrictions put in place since the discovery of the Covid variant Omicron. Moreover, tensions within the governing African National Congress (ANC) limit President Cyril Ramaphosa's ability to act. Nevertheless, progress is slowly being made on reforms. The party system has also become increasingly differentiated since the local elections in early November. Germany and the EU can support positive developments through well-designed and appropriate assistance, but they should always keep a number of (especially socio-economic) factors in mind.

Shortly before the discovery of the new virus mutation that has since dominated the debate in South African media, the focus had been on the local election results of 1 November 2021. For the first time in the democratic history of South Africa, the previously-dominant party, the African National Congress (ANC), slipped below the 50 percent mark of aggregated votes and lost its majority in former strongholds. Many South Africans no longer trust the former liberation movement, after its more than 25 years in power and numerous unfulfilled political promises, to attain its proclaimed objective: to establish democracy and prosperity for the whole population, and especially black South Africans.

New Pathways in the Party System

At first sight the ANC's massive losses might seem like an opportunity for competition in the South African party system, which it has so far dominated. However, no opposition party has yet managed to profit from the ANC's losses by gaining votes and positioning itself as a political alternative. Many people who were eligible to vote did not register for the elections, or else abstained. The largest opposition party, the Democratic Alliance (DA), performed worse than in the 2016 local elections, gaining barely 22 percent of aggregate votes. The Economic Freedom Fighters (EFF), whose radical rhetoric positions them as the arche-



typical protest party, climbed two percentage points to 10.3 percent – less than some had expected.

Several smaller parties registered (regional) successes. These include the Inkatha Freedom Party (IFP), Freedom Front Plus (FF+) and ActionSA, the party recently founded by the former mayor of Johannesburg and ex-member of the DA, Herman Mashaba.

The parties were given until 23 November to form coalitions. This was new territory for South Africa, in the sense that parties which had previously only worked against each other now had to engage in dialogue or even cooperate. The biggest surprise of the local elections – which take place simultaneously in all nine of South Africa's provinces – is ultimately not their result but the fact that in many important former strongholds, the ANC failed to forge alliances with other, smaller parties and use them as kingmakers.

Up until the most recent parliamentary elections, in 2019, the ANC was able to attract almost two-thirds of votes nationally; on a provincial and local level it was used to govern alone. There is therefore little experience in the South African party system of forming coalitions or support agreements, nor of making the compromise that these require. Since the 2016 local elections, very few alliances have been trialled at the local level.

There are several reasons why smaller parties decline to support the ANC. First, they doubt that the dominant party – which is often unwilling to compromise – would grant them sufficient say in shaping South African politics. Here, the many public corruption scandals that have involved the ANC locally work as a deterrent. Second, some unexpected constellations have emerged in several key cities, whose main purpose seems to have been to weaken the ANC. For instance, in the metropolis Ekurhuleni, the radical leftwing EFF (which among other things advocates expropriation without compensation) joined forces with ActionSA and other smaller parties to vote for the DA's mayoral candidate. Such

alliances may not be intended for the long term. Certainly tolerance for such alliances by other parties is a rickety construct, especially given the fact that the next parliamentary and presidential elections are to be held in 2024: parties will shift back to campaign mode by mid-2023 at the latest. Nevertheless, such behaviour gives the ANC's rivals a chance to weaken it (even for the long term) by breaking up previous power constellations at the local level.

The ANC: More Divided than Ever

The ANC was internally fragmented to a great extent even before the last elections. There have always been political splinter groups in the party's history, most recently in 2013, after the former chairman of the ANC Youth League, Julius Malema, announced his departure to form the EFF. However, conflicts within the party are now being waged very openly – and with a willingness to use political violence. This internal cleavage reduces not only the party's cohesion but also President Cyril Ramaphosa's capacity to act.

Between 9 and 18 July 2021, protests flared up in two provinces – Gauteng and KwaZulu-Natal – which were accompanied by massive violence, the destruction of key infrastructure such as factories and warehouses, and pillaging. 342 lives were lost, and more than 3,400 were arrested for involvement in the riots. The South African government estimates the economic damage at 35 to 50 billion rand, around 1.9 to 2.7 billion euros, which is an additional financial burden for the country's already hard hit economy.

The unrest escalated immediately after the arrest of former President Jacob Zuma, who since 2018 has been defending himself against the charge of state capture before South Africa's courts. State capture in the South African case can be defined as “the efforts of a small number of people aiming to benefit from the illicit provision of private gains to public officials in order to profit from the workings of a government”.

Zuma stepped down in February 2018 after the South African parliament scheduled a vote of no confidence, and has since been subject to prosecution. The South African government has set up the Zondo Commission – named after its chair, Raymond Zondo – to examine the serious accusations against Jacob Zuma. The immediate cause for Zuma’s arrest was his repeated refusal to appear before court; he does not accept the legitimacy of the investigation or the independence of the judiciary.

That the unrest was incited at the same time in different locations suggests political orchestration. The aim could have been to block strategic centres and thus damage the country’s economy. The repercussions of these violent protests were particularly severe in KwaZulu-Natal, Jacob Zuma’s home province. The destruction of key infrastructure hubs led to the interruption of supply chains and to economic outages. It has now been shown by a number of reports and analyses that the riots were masterminded by Zuma supporters, who wanted to destabilise South Africa before the local elections and weaken the government and President Cyril Ramaphosa, Jacob Zuma’s antagonist within the ANC.

Although the riots did not topple Ramaphosa and his parliamentary group, they have lastingly shaken popular confidence in the government’s ability to maintain security. South African security forces were initially unable to control the unrest; in many places, they were literally overrun. During Zuma’s presidency, sections of the security agencies were infiltrated by people profiting from their connections to him, a fact that now also hinders the prosecution.

The events of July have dampened any hopes of success for Cyril Ramaphosa’s strategy of reforming the ANC via the prosecution of Jacob Zuma under civil law for state capture. The network of Zuma supporters in the ANC and other political institutions continues to be powerful. It is therefore unlikely that Ramaphosa would risk splitting from the Zuma faction within the ANC; the fear of losing political power restrains him. Despite the scandals, Zuma’s

network still brings the ANC a broad support base, especially in KwaZulu-Natal Province, where Zuma not only has significant links to Zulu groups but has also always portrayed himself as close to the people. Notwithstanding this, the ANC suffered bitter losses in the local elections in this province as well – a clear indication that the base is crumbling here too.

Omicron Restrictions Reinforce Socioeconomic Inequalities

Whether those who took part in the riots of July were primarily motivated by politics in seeking to weaken the Ramaphosa ANC and strengthen the Zuma networks is a question that preoccupies more than South Africa’s media. Most observers now assume that the masterminds behind the unrest had political motives. However, the participation of so many people is above all due to mass discontent with the socioeconomic situation. The orchestrators were thus able to instrumentalise large parts of the local population by giving them an opportunity to vent their anger.

South Africa, which was in an economic crisis even before the spread of Covid-19, was among the hardest-hit countries by the pandemic in 2020. The government in Pretoria reacted with one of the strictest lockdowns in the world. This had an impact mainly on those doing informal or precarious work, who had no or few savings and were unable to compensate for lockdown-related collapses in income. From early 2019 to late 2021, unemployment continued to rise: from 29.1 percent in the fourth quarter of 2019 to 34.4 percent in the fourth quarter of 2021 (the statistics do not include discouraged job seekers). Young people are particularly affected: 63 percent of 15 to 24 year olds are out of work.

Social inequality has become more marked in the course of the Covid pandemic. Inflation has also risen, leading the South African government in September to raise the “national food poverty line” from

585 to 624 rand (just under 32 to just under 34 euros) per month.

As a countermeasure, the government has focused on alliances with industry, for instance in the mining sector, where longer-term collapses in production were avoided through widespread vaccination campaigns and changes in production conditions. However, this approach only had limited success at attenuating the negative economic consequences of the pandemic. Since 2020 prices for certain commodities have risen on international markets, generating higher revenues for South Africa and thus enabling the government to fiscally absorb the worst of the repercussions.

The entire country had high hopes for an economic boost in October 2021, after the third Covid wave: not only due to the reopening after a long lockdown but also the start of the tourism season from November to February, which was expected to revitalise this key sector for the country's economy. According to pre-Covid estimates (2018), the tourism sector had a direct share of the gross national product of 2.9 percent and an indirect share of 8.6 percent; it also attracted 8.2 percent of investments.

Many countries – including Germany – had withdrawn their categorisation of South Africa as an area for virus variants in September. After low Covid case numbers in October and November, tourism revenues were supposed to help save at least some jobs. The discovery in late November 2021 of a new Covid variant, since named Omicron, has most probably put paid to such hopes. After South Africa had passed on the information to the World Health Organisation (WHO), the UK and Israel reacted within a day, by restricting air traffic. The EU followed suit and recommended entry bans; a day later, Germany re-categorised South Africa as a virus variant area.

The South African government as well as the Africa Union (AU) and WHO have criticised the strict travel restrictions as hasty, especially since the Omicron variant has also occurred in other parts of the world and allegedly appeared in the Netherlands – as is now known – before its discovery

in South Africa. South Africa feels punished for its quick action and early warning, especially since there were initially no data on how dangerous the new virus variant Omicron might be. Regardless of how long the travel restrictions are kept in place, the South African tourism sector is not expected to recover within the 2021 – 2022 season from the likely collapse in its revenues.

Rampant Social Discontent

The country and its economy also have to contend with massive difficulties with electricity supplies, which are linked to the crisis at parastatal energy provider Eskom. This crisis is the result of state capture as well as corruption and the poor decisions consequently made in planning South Africa's energy infrastructure, which is still primarily based on electricity generated from coal. In January 2020 Ramaphosa appointed a new Eskom CEO, André de Ruyter, who is driving the fight against corruption and for more transparent processes within the company. De Ruyter is also more open than the previous Eskom management to a diversification of the country's energy supply, in the sense of reducing its dependence on coal. However, this will not solve the energy giant's massive problems any time soon.

Eskom is not currently in a position to ensure South Africa's base load or cover its electricity needs. As a result, there are several power cuts a day. Planned power cuts – called "load shedding" – are announced in advance, but unplanned short-term power cuts are occurring more and more frequently as well.

Along with the electricity sector, other infrastructure in South Africa is also considered dysfunctional, for instance its water supply and rail network. Throughout Zuma's prosecution for state capture, it has become evident that these difficulties in providing functioning infrastructure can largely be traced back to mismanagement and corruption. Zuma and his broad network of supporters, whom he also recruited from the ANC, altered the structures of

democratic institutions to conceal corruption and to skim off state money. South Africa's losses from Zuma's alliances with the Gupta brothers alone were estimated by the Zondo Commission to be around 50 billion rand in May 2021, about 2.7 billion euros. Today this money is lacking for key infrastructure in the country, which in turn has a direct impact on its population – whose discontent understandably continues to grow.

The fact that voters did not even register to vote in the recent elections highlights their level of dissatisfaction. Even if the effects of Covid restrictions are taken into account, South Africans' behaviour demonstrates that they are unable to find a trustworthy political alternative to the ANC in today's party landscape, and that they are increasingly less likely to choose the ballot box to express their disillusionment.

The ANC government has clearly set its priority – tackling the pervasive economic and financial crisis through an austerity policy – but it has not sufficiently compensated for the social repercussions. This has only increased the already widespread discontent with government policy. Disappointment is greatest in those parts of the population that had hoped the former liberation movement would deliver economic emancipation, redistribution and prosperity.

The serious derelictions of the past few years and the precarious economic conditions in South Africa, both of which directly impact the people, have visibly shaken confidence in democratic institutions. In August 2021 Afrobarometer published shocking data: confidence is at its lowest point ever since surveys began in 2006. Only 38 percent of those polled trusted the president and 27 percent trusted parliament. Forty-six percent declared themselves "very willing" to give up their right to vote in return for an unelected government creating jobs or ensuring security and decent housing conditions.

South Africans' already substantial mistrust has been strengthened by the scandals that have occurred under the Ramaphosa government as well, most recently in the

form of accusations of corruption in the health sector during the Covid pandemic. Health Minister Zweli Mkhize was forced to resign. Popular anger and disappointment were expressed in the July unrest. Beyond this, there are regular smaller protests in various South African municipalities which frequently cross the line from civil disobedience to vandalism. Migrants from other African states have repeatedly been the victims of violent attacks. In South Africa, xenophobic violence is primarily explained away by mass discontent and competition for scarce resources; however, it is also sometimes fanned by political groups. If the socioeconomic situation worsens, the risk of unrest and violent assaults will grow.

South Africa Needs Support

Despite its domestic problems and the repercussions of state capture, South Africa is one of the few countries in Africa and in the BRICS group (Brazil, Russia, India, China and South Africa) that still has stable democratic structures. It has strong and solid democratic foundations – which have been shaken but can be stabilised. All elections since 1994 have been deemed "free and fair"; there were no complaints about the local elections in November either. In international forums, the Ramaphosa government is seen as a supporter of democracy and multilateralism. Pretoria has so far managed the immense challenge of the pandemic with skill and a sense of responsibility, sharing its scientific findings and thus contributing to the early warning system.

South Africa's role in early warning is exemplary and should be appreciated as such. It would be fatal if the country – and its neighbouring countries - were left to face, on their own, the socioeconomic consequences of the travel restrictions that were so quickly imposed by Western states. The UK has meanwhile lifted travel restrictions on travellers from South Africa and other African countries but was itself declared a virus variant area by the EU, which also maintains travel restrictions for South

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Africa and its neighbours. Germany and the EU should rigorously assess whether travel restrictions are necessary to address the epidemiological challenges, especially since the effectiveness of travel bans as an instrument to curb the spread of the virus at an advanced stage is questioned by international health experts. Wherever it can be done responsibly, German and the EU member states should ease these restrictions so as to avoid disadvantaging South Africa and setting a precedent that might deter other countries from giving the international community early warnings.

Beyond this, in the short term Germany and the EU should use every opportunity to support the South African government in cushioning the socioeconomic consequences of the fourth Covid wave, which might be especially serious due to the quickly imposed travel restrictions. This would include efforts to supply neighbouring countries and Africa as a whole with sufficient vaccines. South Africa is already advocating this approach at the international level to reduce the likelihood of the virus spreading and to attenuate the impact on locals. It also needs support to expand its own vaccination campaign. More than a third of South Africans have now been double vaccinated. The country currently has enough vaccines, and is struggling mainly to augment its citizens' willingness to be vaccinated.

In the medium term, it will also be important to support democratic forces in South Africa. The existing exchange between German and South African political parties on their experiences with coalition governments is a good approach; it should be continued and extended. South Africa's established political parties – even radical ones such as the EFF – are united in supporting democratic competition between parties and democratic elections, even though they have not yet succeeded in fracturing the ANC's power.

Nevertheless all these political parties – including the DA, which is considered libe-

ral – have weak internal democratic structures and increasingly tend towards populism. The potential danger to democratic culture will intensify if this tendency is amplified amidst social polarisation and if established political parties use populist rhetoric to stoke people's negativity, instead of channelling it politically. Bilateral cooperation between civil societies should therefore focus on strengthening the democratic structures of parties, especially with a view to the presidential and parliamentary elections to be held in 2024, and as regards party support by political foundations.

In recent years, independent civil society organisations, whistleblowers and journalists have had a tremendous impact when representing the interests of those who no longer trust parties, and in investigating corruption and state capture. The enormous resilience of South African society, which rests on strong civil society structures, is one of the country's main stabilising factors. Nevertheless, civil society organising itself at the local level cannot compensate for the absence of good governance. To address the extreme social inequality and the discontent this understandably creates among its people, the South African government has to expand its infrastructure and provide better access to services for those who have so far been excluded from them.

A step in the right direction was the decision of the German federal government under Chancellor Angela Merkel to give financial support to the South African government for expanding its use of renewable energies, and thus help it to diversify its energy supply in the short term and divest from coal in the medium term. The new German government must ensure that the way in which these funds are used, and any additional initiatives to promote energy transition are implemented, facilitates a positive and more just distribution.

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