



## SOUTH AFRICA IN LIMBO

Deputy President Ramaphosa was elected president of the ANC with a very small majority which forces him to proceed cautiously with the removal of President Zuma and reforms that will effect his supporters. Slowly he creates facts that shift the power to his side. The problem remains to convince a President who faces criminal charges to resign voluntarily.

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**FEPS**

JANUARY  
2018

## South Africa in limbo

At the elective conference of the ANC (African National Congress) in December last year Deputy President Cyril Ramaphosa was elected the new president of the party. This choice was welcomed by a majority of South Africans who expect that he will convince President Jacob Zuma to resign before his terms ends with the national elections in 2019 and that he would clear the government of corrupt ANC cadres.

But the clear cut decisions the nations expects from him after the conference will come rather later than sooner because the election results of the conference reflect the deep rift in the party between the so-called Ramaphosa and Zuma camps. He won the elections with a very small majority, just 2,440 out of 4,776 votes against Dlamini-Zuma and three of the top six leaders of the party in the National Working Committee belong to the Zuma camp, especially the important Secretary General, Ace Magashule. Also the 80 members of the National Executive Committee (NEC) seem to be evenly drawn from the lists of the two candidates. The NEC is the highest decision making body between national conferences and its powers cannot be underestimated. To have a stalemate in such an important body will make it difficult to force the necessary reforms on the party.

Many commentators express already dissatisfaction with Ramaphosa who is expected to make fast moves. They ignore the difficult reality in a party as split as the ANC, but they also ignore the personality of Ramaphosa and the fact, that South Africa is an African country.

Cyril Ramaphosa who will be South Africa's next president if the ANC wins the elections was born in 1952, his father was a policeman and he grew up in Soweto. He graduated with a degree in law and was a politically active student for which he was jailed for six months. He helped to build the National Union of Mineworkers (NUM) which became the largest union in the country and served as its Secretary General for 10 years. NUM was one of the key organisations inside the country which opposed apartheid. In 1991 he was elected Secretary General of the ANC and became one of the architects of the country's constitutional democracy. In 1994 he lost the contest in the ANC to become Nelson Mandela's deputy to Thabo Mbeki and went into business. For two decades he successfully built up the large investment holding company Shanduka with interests from mining to fast food. During his years in business he remained close to the ANC and made a comeback at the ANC's conference in 2012 when he was elected deputy president of the party and later of the country. Cyril Ramaphosa has been negotiating for the last 40 years: against apartheid, for a constitutional democracy and as a successful business man. He is not the person to rush decisions which could jeopardize the unity of the ANC.

Decisions in Africa are preceded by long discussions and consultations which aim to include everyone who is concerned. "Palaver" in a positive sense is a culture with time consuming features but also one that reduces conflicts which could arise after the decision has been taken. Such procedures also help that the losers "save face". After his election Ramaphosa first went to Zuma's province, KwaZulu-Natal, to consult ANC structures because the strongest opposition to President Zuma's early retirement would probably come from there. Not much is known from the discussions in Kwa Zulu-Natal except that Ramaphosa had warned that the State President (Zuma) "must not be embarrassed". The top six apparently have not yet discussed Zuma's exit but rumours will know that they have been tasked to negotiate with Zuma the time and conditions of his resignation. This could take some time.

While Ramaphosa keeps numb on Zuma's future, facts are created which indicate that the tide is slowly turning and it becomes more and more obvious that Zuma is a "lame duck". Ramaphosa has

made it clear that the state president and the ministers are in government on behalf of the ANC and that they have to follow the directives of Luthuli House, the ANC headquarters. This year Ramaphosa represented South Africa in Davos at the World Economic Forum and the newspapers write about his charm offensive with investment friendly statements and his promise to clear the corruption in state owned enterprises. He also killed Zuma's favourite project: the construction of seven nuclear power stations. South Africa has excess power and no money for a project of that dimension, so Ramaphosa. The South African Rand appreciated against major currencies since his election and even more after his presentations at Davos.

At the home front Zuma's tactic to delay decisions through legal interventions comes to an end. Finally he had to follow the recommendation of the former Public Protector (Ombudswoman) from 2016 to institute a Commission on State Capture headed by an impartial Deputy Chief Justice. He also had to release the terms of reference for this commission which among general investigation of corruption in government include examination of the compromised relationship between Zuma and his family and the Indian Gupta family, its influence on senior government appointments and the alleged unlawful awarding of state-owned-entity tenders to benefit Gupta companies.

In another important matter a High Court ruled that the appointment of the head of the National Prosecution Authority (NPA) by President Zuma was unlawful and that the appointment of a new head should be done by Deputy President Ramaphosa because the President is "conflicted". This shows the irrationality of ANC's policy to keep in office a president who right from his first term faced criminal charges. The NPA had been ordered by a High Court to re-introduce criminal charges against the President which had been dropped before his election as president of the ANC in 2009.

The legal defeats of the Zuma camp come now one after the other: The North Gauteng High Court declared unlawful the early retirement in 2016 and reinstatement in 2017 of *Eskom's* (the national power entity) CEO Brian Molefe. He was ordered to repay 11 million Rand (785.000 Euros) which he had received as part of his pension pay-out. This clears the way for the appointment of a new *Eskom* board which is tasked to review all controversial decisions of the previous board including payment of 1.6 billion Rand (114 million Euros) to a Gupta-linked company Trillian and international consulting company McKinsey. McKinsey declared its willingness to return the fees it received in connection with this deal.

Another development may help Ramaphosa to tame one of the strongest supporters of Zuma in the top six of the party, his Secretary General Ace Magashule. He still is Premier of the Free State and on 26<sup>th</sup> January the Directorate for Priority Crime Investigation, better known as the Hawks, raided his Bloemfontain office and the office of the Free State Department of Agriculture. Allegedly 220 million Rand (15,7 million Euros) from funds earmarked for aspiring black farmers were diverted to the Gupta company Estina of which 30 million Rand (2.2 million Euros) were used by the Guptas for a lavish family wedding in Sun City in 2012. Head of the department at that time was Mosebenzi Zwane, now Minister of Mineral Resources who as Magashule is one of the closest allies of Zuma and the Guptas.

The magnitude of the scandals that surround Zuma may finally lead to the understanding, that his resignation or exit from office is something obvious to happen. By that time many Zuma supporters may have jumped ship and the ANC would accept such developments with little controversy. Of course there are a number of high ranking officials who are there because of Zuma's patronage and they would have difficulties to switch wagons easily. They surely would not agree to remove Zuma because it would mean the end of their careers. One should remember that the recall of President Mbeki by the ANC happened 8 months after he lost to Zuma at the elective conference in 2009. If

Zuma does not resign voluntarily as Mbeki did, the party could end his term by a vote of no-confidence in parliament. This is certainly something Ramaphosa has to avoid if he wants to preserve the unity of the party. So he is well advised not to rush things.

However, despite the positive reception for Ramaphosa in Davos the country urgently needs action to stimulate its economy. The IMF just (22.01.18) slashed South Africa's growth forecast down to 0.9% for this and for the next year highlighting political uncertainty as hindering investments in the country. The government needs to stop the unsustainable growth in its depth level. Zuma's announcement at the elective conference of free higher education for low-income students adds to the long list of subsidies while tax revenue grows slowly.

The longer Zuma stays in power the worse it will be for the ANC to win the next elections in 2019, especially to win back the lost votes of the new black middle class in urban centres. Ramaphosa needs to act soon against Zuma in order to fight corruption effectively and to create a competent cabinet that would be able to implement the necessary reforms and to win the trust of the people.

South Africa is the most important country in the region and it is of significance to the other countries how the ANC is solving Zuma's exit. Zuma's defiance of constitutional principles and his personal involvement in the spread of corruption in South Africa as well as for example South Africa's non action and tacit approval of how Mugabe in Zimbabwe rigged elections and how he violated human rights may have encouraged other leaders in Southern Africa not to take democratic principles and procedures seriously. For example President Lungu of Zambia has become authoritarian despite the democratic traditions of this country and arrested the leader of the opposition on what were clearly trumped up charges. President Kabila of the Democratic Republic of Congo refuses to hold elections as promised and continues to govern without a mandate. For more information concerning other countries in the region I refer to my article "Fading Democracies in Southern Africa"<sup>1</sup>.

After Mugabe in Zimbabwe was removed from office though a coup d'état he could keep his wealth, was given a huge pension and no criminal charges were brought forward. The Zuma administration kept quiet on this matter. If Ramaphosa's warning "the President must not be embarrassed" means that Zuma would be honoured, would get a golden handshake, and would not be prosecuted after he has left office, than this would be a disaster for the constitutionality of the country and its democratic understanding, and it would be the wrong signal for other countries in the region. It simply means: impunity for the powerful!

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<sup>1</sup> Arnold Wehmhoerner: Fading Democracies in Africa, September 2017, <http://www.feps-europe.eu/assets/86e496e6-04fa-4d8c-9b0e-dc1d47e6bb7d/wehmhoerner-fading-democracies-in-africapdf.pdf>