



# **SOUTH AFRICA'S NEW PRESIDENT CYRIL RAMAPHOSA**

## **Master of the long game**

**South Africa's new president Cyril Ramaphosa slowly changes the country in view of the still strong opposition against him in his party, the ANC. His actions recover trust in state institutions and are bringing the country back on economic growth. Questions remain why he remained quiet for a decade and did not act earlier against ex-president Zuma and corruption.**

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**Arnold Wehmhoerner**  
FEPS Advisor on Southern Africa

**FEPS**

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## South Africa's new President Cyril Ramaphosa: Master of the long game

On April 6<sup>th</sup> this year ex-president Jacob Zuma briefly appeared in the Durban High Court facing 16 corruption charges linked to the multi-million dollar arms deal of the 1990s. Since 2005 when Zuma's financial advisor Schabir Shaik was jailed for fraud and corruption in a related case had he successfully avoided this day in court. The case was adjourned to June and there will be many appeals and postponements but the fact that he had to appear before a judge is symbolic for the changes that are taking place in South Africa after Cyril Ramaphosa has become President of the country. Another indication of the new situation in the country is the fact that the Gupta brothers, whose business imperium was at the center of corrupt networks, have left the country.

Cyril Ramaphosa faces two major tasks: firstly to clear the government of incompetent and corrupt ministers and civil servants in order to recover trust in state institutions and to bring the country back on economic growth and secondly to maintain the unity of the deeply divided African National Congress (ANC). If properly done the first task would require the removal of so many Zuma affiliated officials that could lead to an uprising in the party against him. His victory at the elective conference of the ANC was very narrow so that Zuma supporters David Mabuza became his deputy and Ace Magashule the Secretary General of the party.

When appointing his cabinet he moved carefully not to antagonize too many of the still strong Zuma faction. But he made significant decisions which were welcomed by local and international business. A further downgrading of South Africa's credit rating was avoided. He re-appointed Nhalanhlhla Nene to the position of Minister of Finance who had been brusquely axed by Zuma, gave former Finance Minister Pravin Gordhan the responsibility over loss making state owned enterprises, and put former treasurer general of the ANC, Gwede Mantashe, in charge of mining, the South African key industry which had been severely unsettled by the actions of the Zuma administration.

Ramaphosa dismissed a number of ministers known to be acolytes of the Gupta-Zuma camp and moved others known for their loyalty to Zuma to marginal positions. He made it clear that his cabinet has transitional character and that the bloated cabinet needs to be scaled down once a review has been completed. Already ongoing and newly initiated changes of the top personal at the South African Revenue Service, the National Prosecution Authority and at the state power monopoly *Eskom* restored confidence in South Africa's state institutions. It will be, however, much more difficult and time consuming to destroy the procurement linkages of Zuma cronies at the lower levels of management.

The new administration also distanced itself from the expensive nuclear power plants which were supposed to be built in cooperation with Russia and finally - after a delay of more than two years - agreements were signed with renewable energy suppliers. This decision was taken against the will of trade unions which fear closure of old coal fired power plants with loss of thousands of jobs. If Ramaphosa wants to succeed economically and if he wants to fight unemployment and inequality he needs to confront the alliance partner of the ANC, the trade unions. The unions, especially in the public sector, over the last years have secured through central bargaining wages which have imposed enormous costs on smaller

businesses and the state budget. As a former trade union leader the new president should be able to convince trade unions into taking more responsibility for the overall economic necessities of the country.

In a clever move Ramaphosa reshuffled the cabinet and appointed a new Finance Minister only after the presentation in parliament of the state budget by the Zuma appointed Finance Minister Gigaba. Nothing pleasant was to be announced. Gigaba had to acknowledge that despite an increase of VAT from 14% to 15% he has no answer how to sustain the rising government debt which is supposed to reach nearly 60% of GDP. The political will is missing to stop and to reduce spending on people. In view of the upcoming election next year this is not expected to change. On the contrary, the old Finance Minister tried to accommodate Zuma's populist and totally irresponsible promise of free Higher Education. National and international finance have reacted positively after Ramaphosa's election and have given him much credit in anticipation of expected positive changes. But the budget speech revealed hard economic facts about South Africa's economy which is indeed in a very precarious situation.

Ramaphosa and the ANC MPs endorsed the parliamentary motion of the Economic Freedom Fighters (EFF) to change the constitution in order to allow for expropriation of land without compensation. But he promised that the implementation will be in a manner that does not undermine the economy, agricultural production or food security. His move is thought to be tactical in order to consolidate his party leadership against radicals in the ANC. It is also aimed at neutralizing the EFF, a split off from the ANC, which is winning over voters through populist slogans like calling to expel white farmers and to return their land to the blacks.

Steven Friedman rightly points out that "land" is a symbol for South Africans and "has nothing to do with agriculture at all" but is meaning the "return of the country to its people" and the expression of disappointment "that a quarter century of democracy has not ended white privilege"<sup>1</sup>. Empirical research confirms Friedman's assumptions. 92% of the roughly 76000 successful claimants in post-apartheid South Africa's restitution process chose not to have the land returned to them and preferred cash instead. In a field survey 2017 only 1% of black respondents identified 'speeding up land reform' as a top priority for the government<sup>2</sup>.

Ramaphosa as a former trade union leader and successful businessman knows very well that expropriation of property without compensation sends the wrong signals to the international community and is counterproductive to his efforts to attract foreign investment and to consolidate the South African economy. In many speeches he endorsed the political doctrines of the ANC summarized under the heading 'National Democratic Revolution' which explicitly includes expropriation. One tends to believe that he is not bound to this by his own ideological beliefs and that he will keep his tactical position until after the national elections in 2019 hoping that the restrictions 'food security and no damage to the economy' will prevent any significant implementation of this doctrine.

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<sup>1</sup> Steven Friedman: *Land debate in SA is about dignity and equality – not the constitution* in The Conversation. 05.03.2018

<sup>2</sup> Anthea Jeffrey, South African Institute of Race Relations: *EWC: A lurch towards disaster*, in [www.politicsweb.co.za](http://www.politicsweb.co.za), 05.03.2018

Cyril Ramaphosa is known to be the 'master of the long game'. It took him two months after his election to the presidency of the ANC to remove Zuma, he kept a bloated cabinet labeled to be 'transitional' probably until next year's election and he endorsed expropriation without compensation thought to be announced against his own convictions. For four years he sat silent as Deputy President in Zuma's cabinet observing the deterioration of the South African economy and the spread of corruption at all levels of government waiting for his chance to become finally number one.

Questions remain: Is it ethically acceptable to keep quiet over a decade while your country is exploited by a network of corrupt officials and business people? Many high ranking party cadres have raised their voices against this and lost influence and positions. His voice could have been decisive and could have changed the course of the country at a much earlier stage. Or was he just realistic realizing that he could have easily be sidelined and left without any influence on the further developments of the party if he had opposed Zuma at an earlier stage? His narrow election victory at the elective conference of the ANC supports such a scenario. And the game is not yet over: lately rumors are reported that groups of the party especially from KwaZulu-Natal plan to unsettle him.

Revolts against Ramaphosa would be suicidal for the ANC. At present the outlook of the party for the 2019 national elections is encouraging. The economy is recovering and the trust in state institutions is about to be re-established. The main opposition party, the Democratic Alliance (DA), is occupied with its own internal conflicts and the EFF lost its scapegoat Zuma and its sole claim to radicalism in the land question.