

The ANC and South Africa

Visions of the future

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This report presents various political scenarios for the future of South Africa. The most likely course of events is that Cyril Ramaphosa will be re-elected as president of the ruling African National Congress (ANC) in December 2022, even as ongoing divisions wrack the party. The ANC gets 48% in 2024, but stitches together a governing coalition. South Africa's economy will grow, but slowly. A decisive win for Ramaphosa's faction could unlock more rapid growth, while victory for the so-called Radical Economic Transformation camp could have unexpected positive outcomes.

Key findings

- ▶ The most likely scenario is that Cyril Ramaphosa is re-elected president of the African National Congress (ANC) in December 2022.
- ▶ During the 2024 national/provincial elections the ANC gets 48% and in 2029, 43%.
- ▶ Should the ANC's reformist camp win, average economic growth to 2029 could increase to 3.4%.
- ▶ South Africa is likely to grow at a 2.4% average to 2029 – this will not be enough to reduce poverty and unemployment.
- ▶ Should the ANC's Radical Economic Transformation faction triumph, the ANC might collapse and Ramaphosa might establish a separate party and lead a growth-friendly coalition government.
- ▶ The future of the ANC will likely be determined by the outcomes from the 2024 elections in Gauteng which will serve as a prelude to the 2029 national/provincial elections.
- ▶ Without decisive action to unlock investor confidence, South Africa's socio-economic challenges could overwhelm the state's ability to govern effectively.
- ▶ Whichever scenario unfolds, South Africa must pay much more attention to its security sector.
- ▶ South Africa's security agencies are in a state of crisis and neglect due to politicisation and bad management. They are increasingly unable to cope with rising crime and insecurity.
- ▶ Politics in South Africa is increasingly conducted outside the formal sphere, eating away at the legitimacy of the state and its institutions.

Recommendations

- ▶ Political leaders must make decisions based on the country's interests and must effect consequence management.
- ▶ A high-growth strategy requires a future government to step away from several core policy tenets of the ANC, namely land reform without compensation; the absence of a clear distinction between state and party; the way it has pursued black economic empowerment and its partnership with traditional leaders in the former homeland areas.
- ▶ Domestic and international confidence in the future of South Africa is at an all-time low underlining the importance of policy certainty and evidence-based policies.
- ▶ Much greater attention must be paid to competence and accountability in the management of security in South Africa.
- ▶ South Africans must act now to insulate the country's security agencies from political interference.
- ▶ With political will and competent leadership, the declining security situation can be reversed by appointing the best-qualified career officials to key positions and supporting them in their work.
- ▶ The deterioration of services, the theft, decay and lack of maintenance of the country's infrastructure can be stopped.

Backdrop

South Africa faces a difficult year and prospects of disruptive change, with long-term implications for the country, particularly the choice in December 2022 of the president and deputy president of the ruling African National Congress (ANC).

Despite the fact that voter participation has declined with each election, opposition parties have not been able to galvanise urban black voters, many of whom stay away from the polls rather than vote for them. Each breakaway from the ANC since 1994, starting with that of the United Democratic Movement under Bantu Holomisa, eventually ended with a whimper. No splinter party has been able to capitalise on the growing pool of disgruntled citizens who are not voting – perhaps because they believe the ANC will be able to reform and again earn their support.

This report presents alternative political scenarios for the future of South Africa, building on a framework first established in 2017 with the book *Fate of the Nation*,¹ which discussed South Africa's long-term prospects. The March 2020 ISS research report, '*South Africa first! Getting to Thuma Mina*',² updated these scenarios, primarily focusing on the economic reforms required for a more prosperous future.

A few months later we published an update³ that included the impact of COVID-19. In these publications we popularised a suite of scenario names that remain useful in the analysis that follows. These are 'Bafana Bafana', 'Mandela Magic', 'Nation Divided' and 'Thuma Mina [Send Me]'.

The analysis inevitably starts with the ruling party. The ANC is the largest party in South Africa by a substantial margin, although an increased number of former ANC voters prefer to stay away rather than vote for it. As a result, it is haemorrhaging support in metropolitan and urban areas.

The party is increasingly dependent on its rural support base, local business and factions from the former homelands.⁴ There are consistent accusations that the ANC under President Cyril Ramaphosa suffers from weak leadership, factionalism, the debilitating impact of cadre deployment on service delivery and all-consuming infighting.

This year, 2022, started with the release of the first set of findings of the Commission of Inquiry into State Capture, chaired by Acting Chief Justice Raymond Zondo (the Zondo Commission) and will conclude with the ANC's 55th elective conference, in December. These two processes will further advance negative perceptions of the ruling party and deepen its internal divisions.

Parts I and 2 of the Zondo Commission report present a devastating critique of the ANC. The decision to release the commission's findings in three parts ensures that the party and its leadership remain in the dock, extending their pain well into 2022. The ANC will be an easy target for detractors, affecting its appeal.

The ANC is haemorrhaging support. An increased number of voters prefer to stay away rather than vote for it

Simultaneously, ahead of the party's 2022 elective conference, the ANC's branch, district and provincial conferences will determine who will attend the conference and elect the president, deputy president and the rest of the party's leaders. Elections have become a life-or-death struggle in the party. Violent contestation over access to positions (and hence procurement contracts) characterise the ANC's preparations for every election, particularly at local level.

A key response from the reformist faction within the ANC to mounting evidence of state capture was to enact the 'step aside' rule, according to which those charged with corruption must voluntarily step aside and those alleged reported and accused of corruption face the integrity committee.

The implementation of the rule eventually forced the party's secretary-general (SG), Ace Magashule, then the leader of the so-called Radical Economic Transformation (RET) faction, to step aside. The fight has not yet fully run its course, however, and 2022 will see further developments, such as the efforts by Tourism Minister Lindiwe Sisulu to position herself as a challenger for the presidency and/or to secure election as one of the top six.

The RET faction's latest tactic is to instigate a parliamentary enquiry and an investigation by the Public Protector into allegations that Ramaphosa knew about the misappropriation of public funds, which were then directed to the party. The evidence surfaced in a leaked audio recording in which Ramaphosa is heard speaking of this misappropriation. The evident hope is that it garners enough momentum to force him to step aside in deference to his own rule and not stand again.

In addition to the impact of corruption and the evidence of governance failure the ANC is experiencing a general decline in support because of the steady increase in so-called 'born-free' voters. The former exile leadership of the party has made way for new incumbents with divergent views about its role, its relationship with the government and South Africa's future political and economic trajectory. To an outsider the ANC of 2022 appears increasingly to be a coalition of self-interest, without a clear vision of its own role or of South Africa's future.

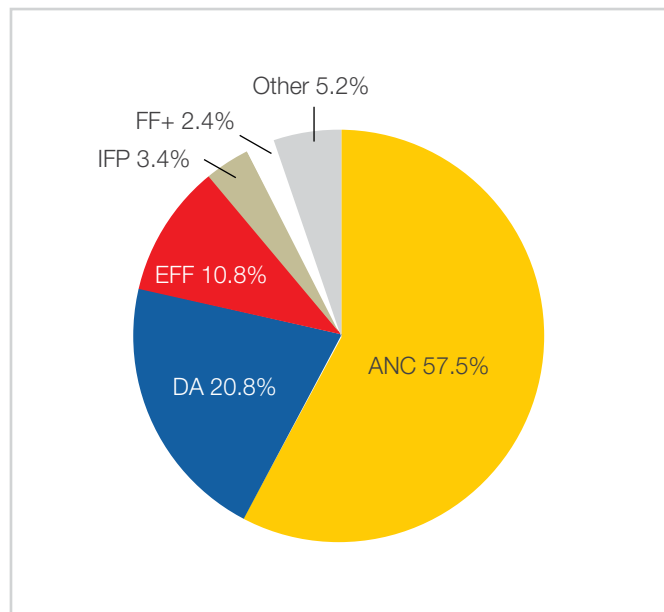
There is likely to be considerable political turmoil in the run-up to the December 2022 elective conference

The ANC's women's and youth leagues, both important voting lobbies within the party, are also troubled and riven by infighting. Only its veterans league appears to be unaffected. The South African Communist Party and the Congress of South African Trade Unions, who, with the ANC, form the Tripartite Alliance, will hold their national conferences in July and September. Both are much weaker than before, but ructions there could add fuel to the fire.

Chart 1 shows the 2019 national election results. They translated into 230 seats for the ANC in the National Assembly, 84 for the Democratic Alliance (DA) and 44 for the Economic Freedom Fighters (EFF).

Should the electorate in 2024 vote precisely as it did in the 2021 local elections, the ANC's representation in the National Assembly would plummet to 182 seats, representing 45.6% of the votes. It would lose its majority and require alliances to govern.

Chart 1: 2019 election results



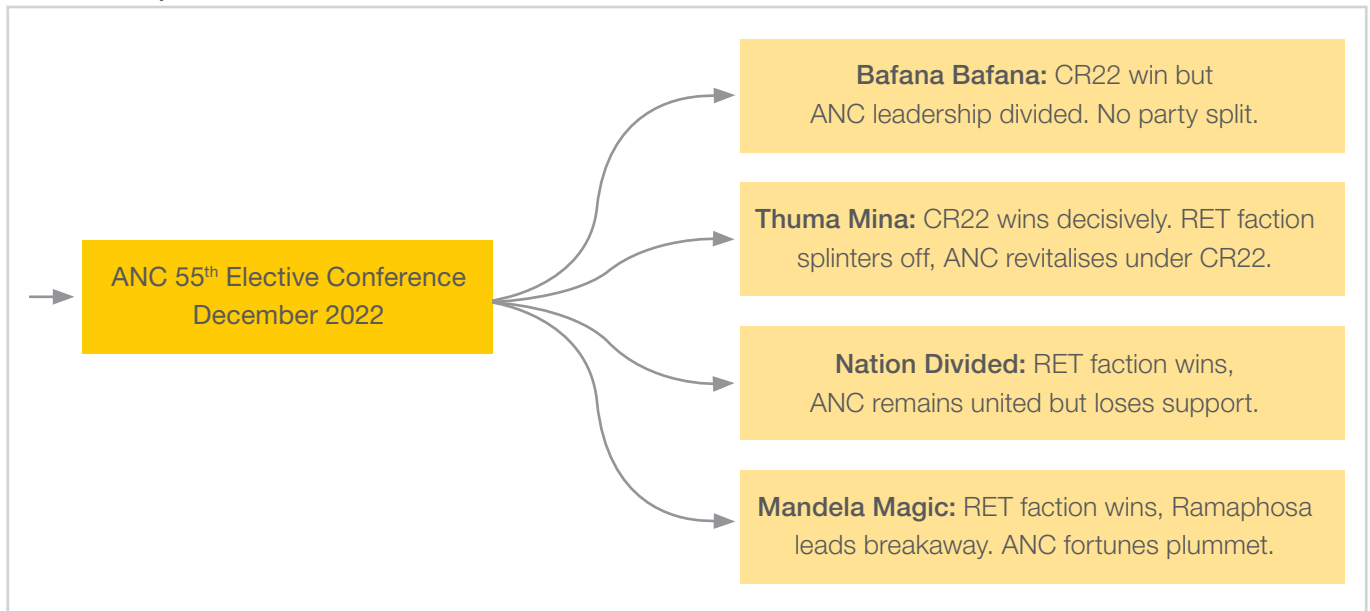
The DA would get 87 seats and the EFF 41. ActionSA, the new kid on the block, would get nine seats and the Inkatha Freedom Party (IFP) 23. However, past trends suggest that the ANC will do slightly better in the provincial/national election than it did in the local government elections, especially as the local civic bodies and parties will not be on the ballot. However, much depends on how the infighting plays out.

There is likely to be considerable political turmoil in the run-up to the December 2022 elective conference, possibly accompanied by assassinations/murders and instances of disrupted meetings and crowd violence, not dissimilar to events in the run-up to the December 2017 elections.

Violence in KwaZulu-Natal (KZN) has already intensified and will be particularly deadly, given the confluence of personalities and struggle for contracts. However, unlike the position in 2017, the taps to state monies through slush funds within the intelligence community and the South African Police Service have been turned off – a major effect of the Zondo Commission. President Ramaphosa has also set a very different tone on ethics and tolerance of corruption within the ANC, although concomitant action is slow.

Finally, with the exception of the early years of the EFF, the history of new parties in post-apartheid South

Chart 2: Snapshot of scenarios



Africa indicates that it takes enormous resources, a national structure and substantive effort to gain national traction over several elections. Therefore, scenarios premised on significant support for new parties such as ActionSA are inherently uncertain and forecasts of electoral support should probably err on the side of caution.

Against this background, the rest of this report presents four scenarios (see Chart 2). Bafana Bafana is the most likely one, followed by Thuma Mina. Nation Divided and Mandela Magic, premised on a RET win in December 2022, are much less likely. Two final sections deal with security concerns and development prospects.

Scenarios premised on significant support for new parties such as ActionSA should probably err on the side of caution

The purpose of scenarios is to think in a structured way about the future and do so broadly, stepping outside of one’s comfort zone. What follows is bound to be wrong in any number of ways. The first two scenarios, far more likely than others, are premised on Ramaphosa being re-elected at the December 2022 elective conference.

Bafana Bafana: ongoing ANC dominance with opposition party gains

→ **Bafana Bafana:** CR22 win but ANC leadership divided. No party split.

ANC 48% in 2024, 43% in 2029. Governs in coalition until 2034. Needs alliances in Gauteng and KZN in 2024. In 2029 also in Free State, Northern Cape and North West.

After bruising infighting, President Ramaphosa is re-elected in December 2022, with significantly more support than any other candidate, but with a top six and National Executive Committee (NEC) that continue to reflect stark divisions between the Cyril Ramaphosa in 2022 (CR22) and RET factions. The result is an ill-disciplined and uninspiring team that has no clear strategy and poor implementation skills, with Ramaphosa serving, in the recent words of journalist Mondli Makhanya, as ‘the weak coach of a poorly performing sports team, who is unable to tell his players not to party on the eve of a big game’.⁵

The prospects fill investors, the private sector and many South Africans with exasperation and a degree of dread and contribute to the party’s ongoing loss of support in the 2026 local government elections. Without strong leadership and direction, the divisions within the party

persist, bleeding through to policy making, government effectiveness and development prospects.

Essentially the ANC continues its decline as does the DA, though marginally. The EFF holds on to its current support base. The IFP continues to grow in KZN and ActionSA emerges as a national party with 6% support in 2024 and 8% in 2029, translating into 20 and 32 seats in the National Assembly.

It is likely that the ANC's 2027 electoral conference will be a bloody and contested affair

Support for the Freedom Front plus (FF+) drops off as the DA reclaims many of its supporters, allowing it to remain the official opposition, although there is always a chance that the DA will change course and again prioritise making inroads into the large pool of non-voting urban blacks. That is, however, unlikely under its current leadership.

Given the prospects of a further loss of support in 2029 it is likely that the ANC's 2027 electoral conference will be a bloody and contested affair. New faces may emerge among the top six and, given their age and health, few (or none) of the leaders who were elected in 2022 may

survive that reckoning. South Africa grows and things improve, but slowly. Hesitant reform is the order of the day, given the need for constant consultations and compromise to retain unity within the ANC.

The political landscape continues to fracture even as the ANC, under a new president in 2029, still wins more votes than any other party, with 43% voter support (172 of 400 seats in the National Assembly). Chart 3 presents the likely electoral support in this scenario for 2024 and 2029.

After the 2029 elections the ANC faces a stark choice since it needs the support of one of the larger opposition parties – essentially a national alliance with either the DA or the EFF – that also determines who governs in the Northern Cape, Free State and North West provinces. Will that be an ANC/EFF or an ANC/DA alliance? South Africa and the ANC have now reached a momentous inflection point.

At the provincial level the Western Cape remains under DA control in 2024 and does even better in 2029 as the Good Party collapses after its founder, Patricia de Lille, is removed from national prominence in a Cabinet reshuffle and retires from active politics. In KZN the ANC is forced into alliance with the IFP after the 2024 elections to reach a governing majority and has to make a number of compromises in the allocation of provincial portfolios to achieve that goal.

Chart 3: Bafana Bafana scenario election forecasts

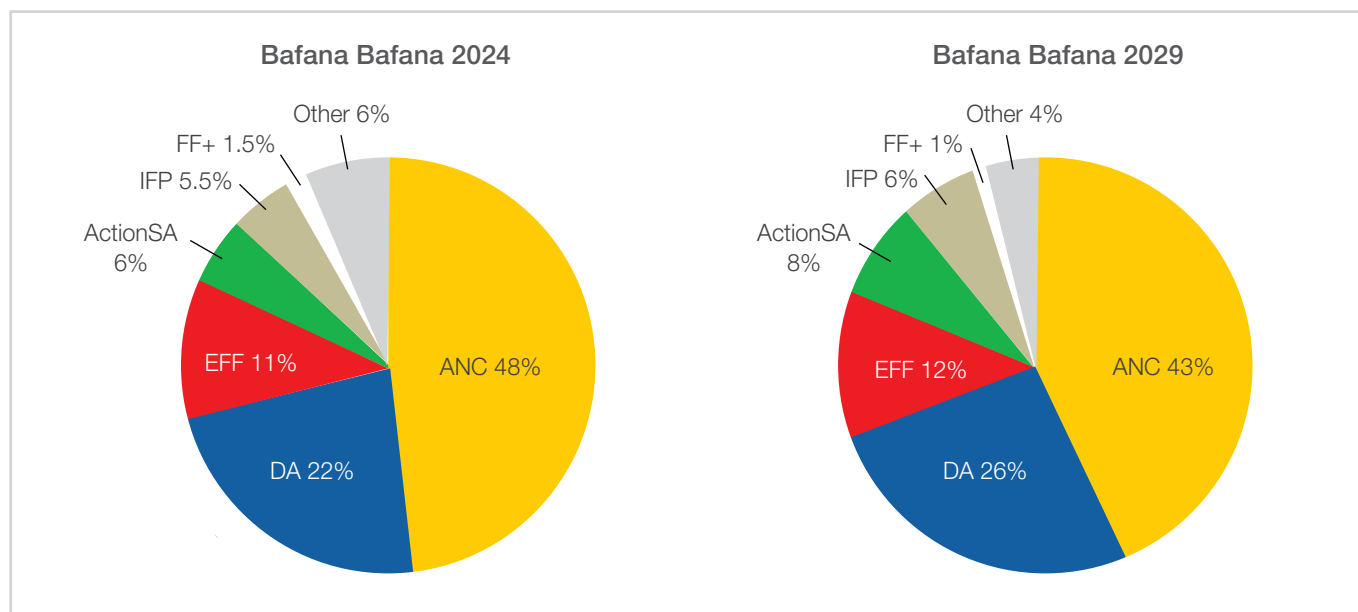


Chart 4: Bafana Bafana forecast for Gauteng % voter support

	2019 results	2024 forecast	2029 forecast	2021 local election results
ANC	50.19	42	37	36.06
DA	27.45	23	24	28.7
EFF	14.69	9	10	11.89
ActionSA	0	14	16	9.43
IFP	0.89	1	1	1.3
FF+	3.35	3	2	4.27
Rest	3.43	8	10	8.35

After the 2024 elections Gauteng is likely to present South Africa’s political leadership with a conundrum – a kind of dress rehearsal for events in 2029 at the national level. The Bafana Bafana election forecast for Gauteng is presented in Chart 4. The chart includes the 2019 election results, the scenario forecast for 2024 and 2029 and the 2021 local government election results as a kind of benchmark.

The forecast reflects the extent to which support for ActionSA will eat into the support base of the ANC, DA and EFF in this scenario. Eventually the ANC is left with a difficult choice: it is probably the only party able to form a governing coalition in Gauteng but needs one of the larger opposition parties such as the DA, the EFF or ActionSA for that purpose.

After the 2024 elections Gauteng is likely to serve as a dress rehearsal for events in 2029 at the national level

In addition to KZN, after the 2029 elections the ANC also needs alliances in the Free State, Northern Cape and North West, although that could come from fringe parties. It retains a majority of votes in the Eastern Cape, Limpopo and Mpumalanga. Its support base is rural and traditional and its philosophical orientation is torn between the need to modernise its policies and its conservative base. Chart 5 presents provincial level forecasts and Chart 6 local government election trends.

The ANC does significantly worse at the local level. In the local government elections in 2026 its support declines to 38% compared to the 46% it achieved in 2021 (see Chart 6) as votes shift from traditional parties to independents and local parties.

ANC’S SUPPORT IS FORECASTED TO DECLINE FROM

46% – 38%

IN THE 2026 LOCAL GOVERNMENT ELECTIONS

Chart 5: Bafana Bafana, 2024 provincial forecast

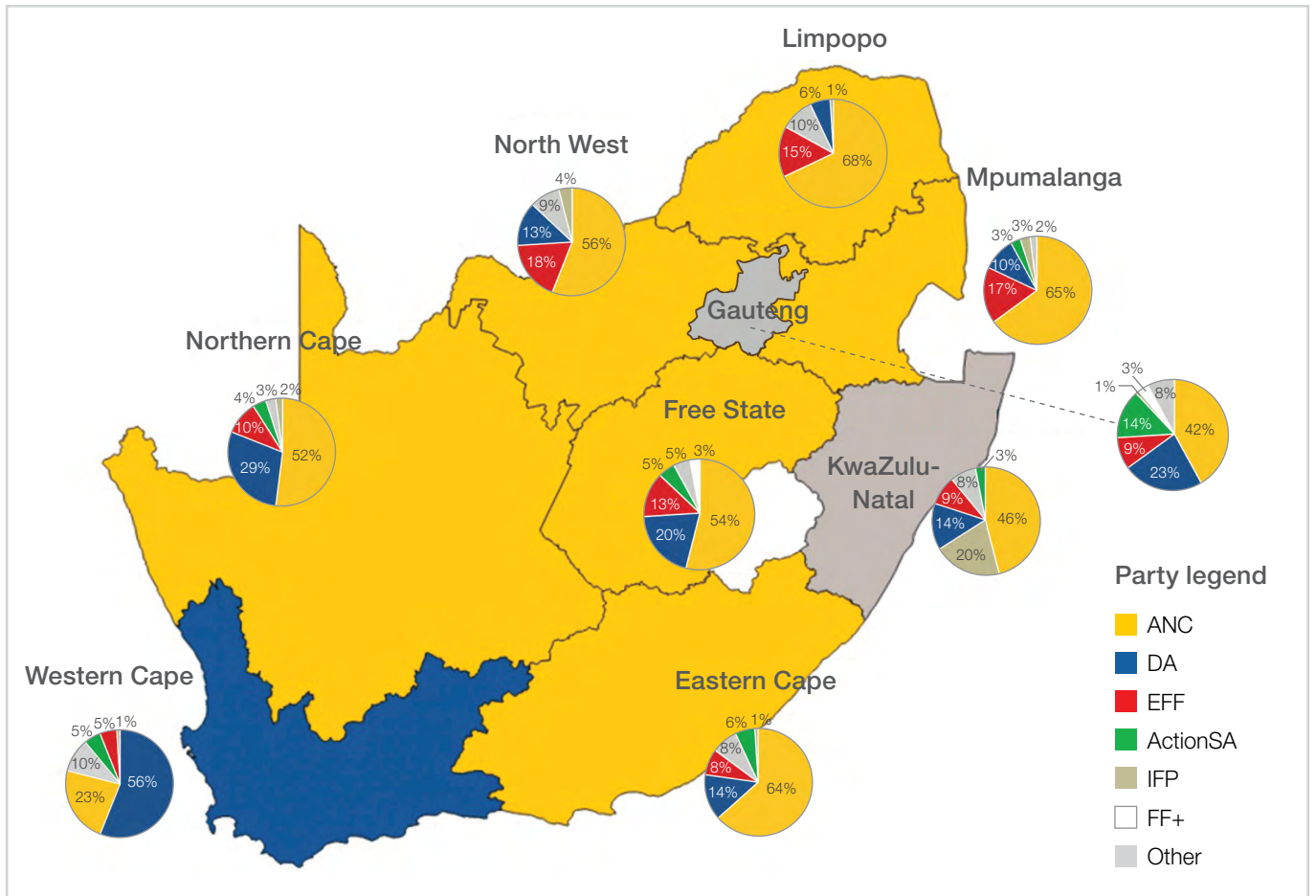
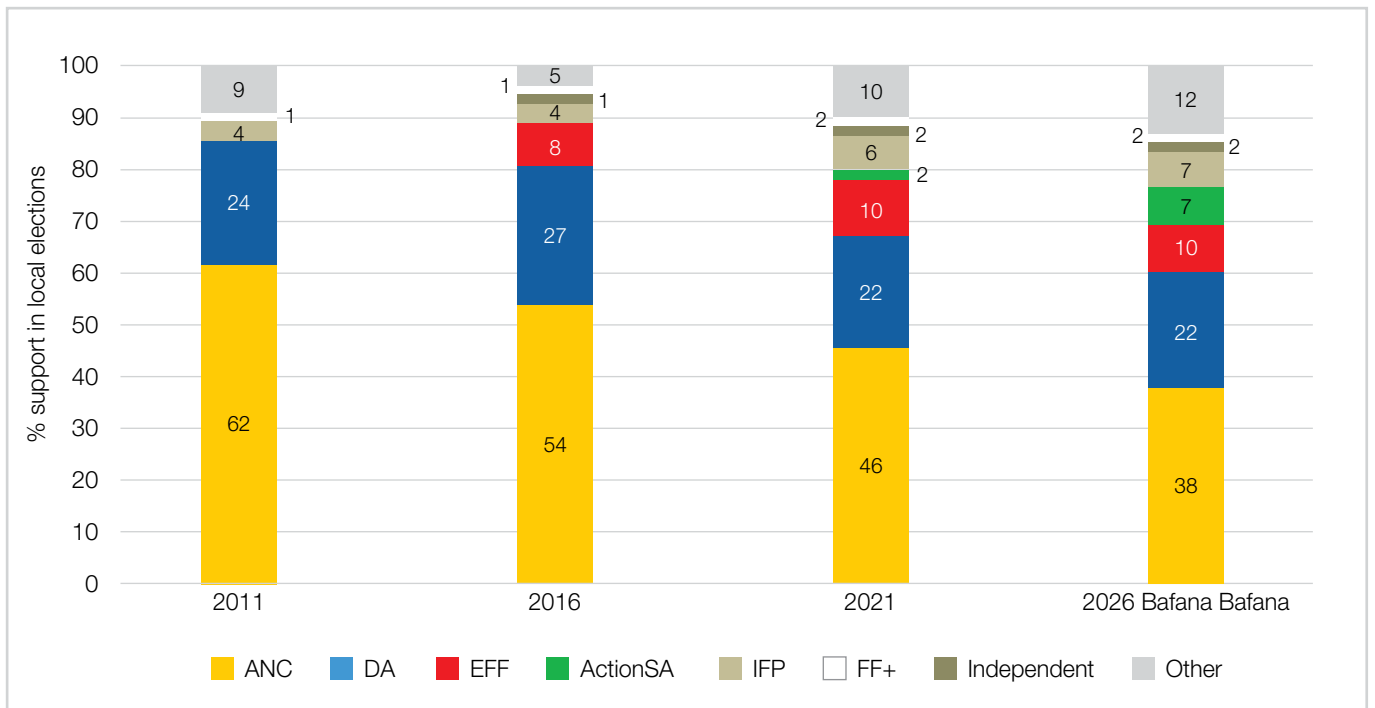


Chart 6: Bafana Bafana scenario local government election trends



Thuma Mina: RET faction breaks away and ANC's fortunes improve

→ **Thuma Mina: CR22 wins decisively. RET faction splinters off, ANC revitalises under CR22.**

ANC 51% in 2024 and 53% in 2029. Majority in Gauteng. RET/EFF merge and become official opposition.

The title of the Thuma Mina scenario comes from President Ramaphosa's call in his inaugural address to Parliament for renewal and growth. In this scenario the CR22 faction gains a decisive victory in December 2022. The result is a top six and NEC dominantly representative of the CR22 faction, with a capable pro-reform successor in place.

The RET faction splinters off early in 2023 and either establishes a separate party (the RET party), possibly with the same dismal results as previous splinters, or joins and boosts the fortunes of the EFF, which eventually emerges as the official opposition within the National Assembly. Chart 7 presents the 2024 and 2029 national election results for the Thuma Mina scenario

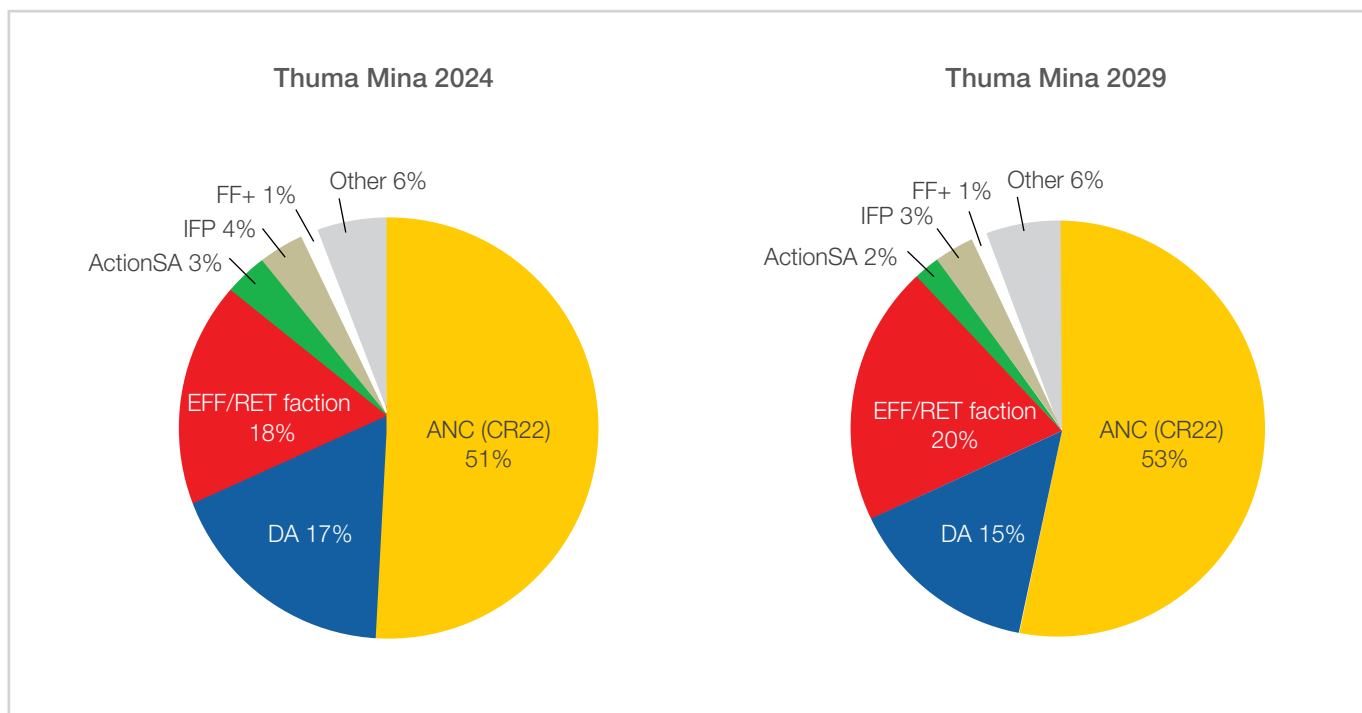
With a unified ANC behind him President Ramaphosa finds his mojo. He acts more decisively on economic reform, actively implements the recommendations of the Zondo Commission and pursues various pro-growth policies, allowing the party to regain a large portion of the urban black vote, which boosts its support.

The result is that the ANC retains its national majority in 2024, including in Gauteng. The DA and ActionSA struggle, although much depends on the leadership that emerges from the ANC's 2027 elective conference. Nationally the ANC's support grows to 53% in 2029.

In the Thuma Mina scenario the CR22 faction gains a decisive victory in December 2022

The DA holds on to the Western Cape but could lose its status as official opposition if the RET faction that has left the ANC bolsters the fortunes of the EFF, which does well in this scenario.

Chart 7: Thuma Mina scenario election forecasts



Nation Divided or Mandela Magic?

The remaining two scenarios, much less likely than either Bafana Bafana or Thuma Mina, are premised on the defeat of the reformist grouping in December 2022, resulting in divergent outcomes, even as the conference descends into chaos amid accusations of vote rigging. Depending on what happens next, South Africa will be destined for either a Nation Divided or a Mandela Magic scenario.

The scenarios are most likely if investigations such as that by the Public Protector find that the president has a case to answer in terms of abuse of state authority and, under intense public pressure and from within the party, decides to step aside and not stand for a second term as ANC president. That decision would allow the RET faction to unify under the leadership of someone like Lindiwe Sisulu, who could then draw significantly more support than would otherwise be the case.

The scenarios could also follow if the National Prosecuting Authority’s prosecution of suspended SG Ace Magashule collapses (or limps along), allowing him to resume his position and launch a fightback campaign.

The scenarios depart from the reaction, within the ANC, to a victory for the RET faction in the ANC’s leadership elections in December 2022,

The Nation Divided scenario reflects stark divisions in South Africa’s political landscape, hence its name. Here

Ramaphosa, like Thabo Mbeki after his defeat by Jacob Zuma, withdraws from active politics and the ANC limps on. A few CR22 members may leave the ANC and join ActionSA, the DA or others. Most CR22 supporters withdraw from active politics.

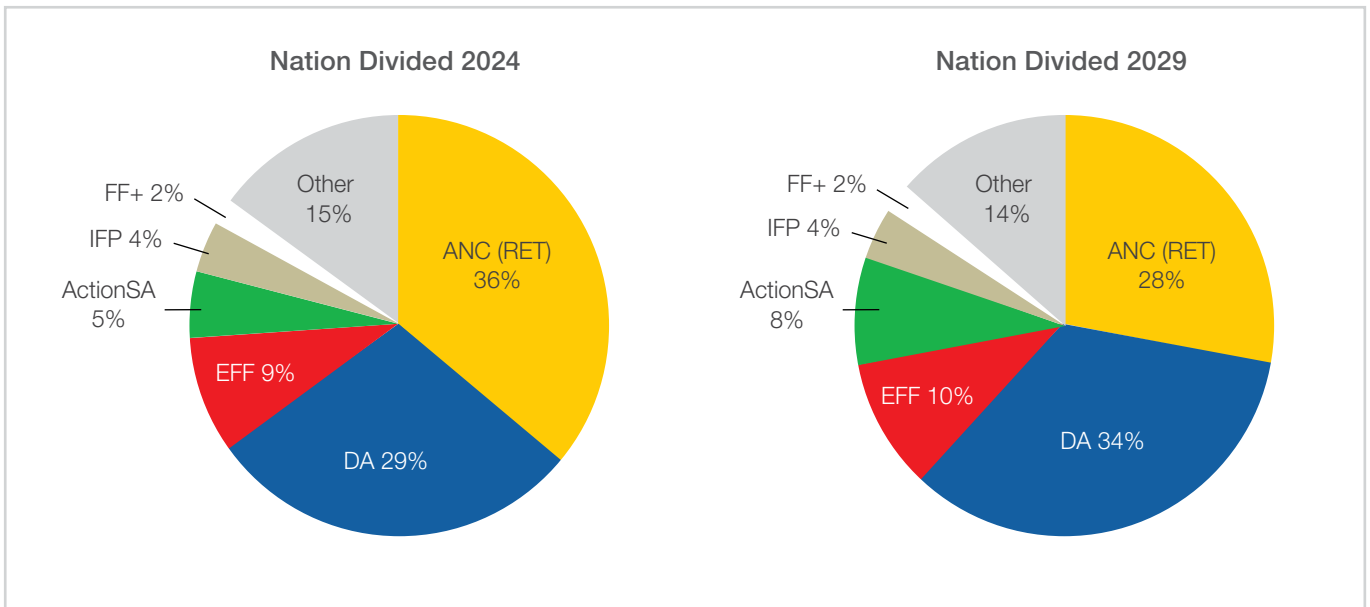
Nation Divided:
 RET faction wins, ANC remains united but loses support.

Complex governing coalition. ANC in official opposition. ANC 36% in 2024, 28% in 2029. ANC loses Gauteng and KZN in 2024, Free State in 2029.

The ANC does badly at the polls and the Nation Divided scenario is likely to see a boost for the fortunes of the DA and ActionSA in Gauteng and nationally. With the ANC dominated by the RET faction, an alliance with a smaller EFF would beckon and the two might be able to put together a governing coalition, but would need the support of a number of others.

More likely is a cumbersome national governing coalition of the DA, ActionSA, IFP, FF+ and a host of smaller parties. In time, support for the DA and ActionSA grows while that for the ANC continues to decline and the party loses Gauteng, KZN and the Free State by 2029. Potential election outcomes for 2024 and 2029 are presented in Chart 8.

Chart 8: Nation Divided scenario election forecast



Mandela Magic

After the RET victory in December 2022 Ramaphosa comes under huge pressure to somehow ‘save’ South Africa from the economic and social consequences of an RET-dominated ANC. He decides to establish a separate party (the CR22 party) that, given his political popularity, has the potential to attract a sizeable portion of the urban black vote. This is a worst-case scenario for the ANC that could see its urban support base collapse and very likely lead it into an alliance or even a merger with the EFF, reducing it to opposition status, but it could be the best outcome for South Africa.

We term this the Mandela Magic scenario since it has the potential to rekindle some aspects of the vision of a ‘rainbow nation’ espoused by Nelson Mandela and the late Archbishop Desmond Tutu. A peaceful change of ruling party is the essence of democracy and by 2024 the ANC would have ruled for an uninterrupted three decades. It would also have many benefits for South Africa – most importantly, it would disrupt cadre deployment and the systems of patronage that have become established under successive ANC governments. Given the nature of the subsequent governing coalition it would translate into pro-growth economic reform.

In the Mandela Magic scenario Ramaphosa emerges as leader of a coalition government after the 2024 elections,

which include the CR22 party, the DA, ActionSA, and the IFP. It results in a more rapid normalisation of South African politics than the other scenarios because it effectively strips the ANC of the halo effect that it gained through its role as liberation party. While it would certainly be a rocky transition, it could unlock better governance and much higher levels of growth.

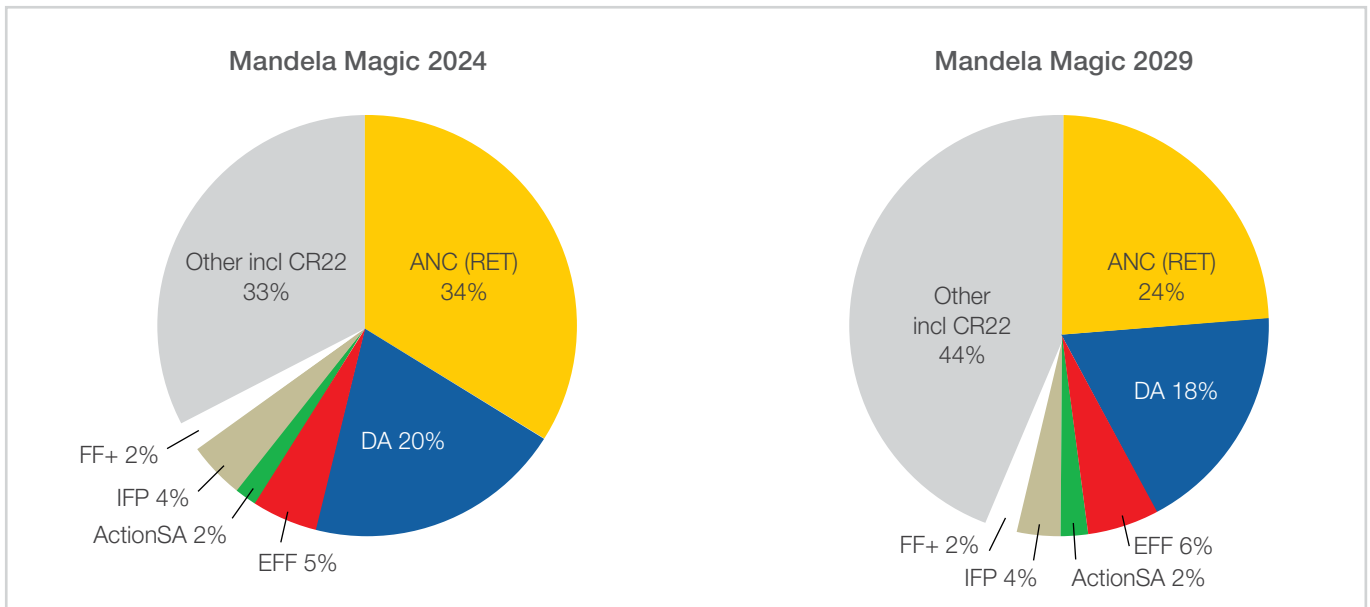
Mandela Magic:
RET faction wins, Ramaphosa leads breakaway. ANC fortunes plummet.

Ramaphosa, leader of new party, heads governing coalition. ANC 34% in 2024 and 24% in 2029. ANC official opposition/EFF alliance? Gauteng to opposition.

Party support in the Mandela Magic scenario in 2024 and 2029 is presented in Chart 9, reflecting a decline in support for the EFF, which would be competing against an ANC dominated by the RET faction, whose policies are very similar. The DA retains the Western Cape, and KZN could end up with a coalition government led by the IFP after the 2024 elections.

In summary, it is unlikely that the CR22 faction in the ANC’s leadership contest will be defeated in December 2022 but this probably depends on whether Ramaphosa stands for the presidency of the ANC. Such a defeat would be bad for the ANC, and the

Chart 9: Mandela Magic scenario election forecast



outcome for South Africa would be uncertain, but it would be the best outcome for opposition parties such as the DA, ActionSA and the EFF and would cement South Africa's democracy.

Security concerns

The attempted insurgency of July 2021, the sabotage at Eskom and speculation that the fire that destroyed the National Assembly in December was set deliberately portends a concerning 2022, as violent factionalism in the ANC could again spill into the public domain.

Since it will take several years to reduce inequality, poverty and unemployment, it should concern all South Africans that our security agencies are in a state of crisis and neglect due to politicisation and bad management and are increasingly unable to cope with rising crime and insecurity. Without much greater attention paid to competence and accountability, events could spiral out of control and result in significantly more unsettling developments than the scenarios presented in these pages.

There have been numerous panels and commissions of enquiry about reform, some dating back more than a decade. Each has produced a raft of recommendations, but few have been implemented. Instead, the quality of security management continues to deteriorate.

Rather than fix the crises that affect intelligence, police and defence, the three most troubled departments, the ANC intends to launch an additional agency, the Border Management Agency, at huge additional cost to the taxpayer and with limited prospects of enhancing safety and stability in the country in the turbulent years that lie ahead.

The rapid turnaround of the South African Revenue Service since 2018 should be a lesson to all South Africans that government departments can be efficient and pursue their stated purpose. With the necessary political will and competent leadership, it is possible to turn the current situation of declining security around by appointing the best-qualified and most-competent career officials to fill key positions, and then supporting them.

It is also possible to rescue South Africans from the steady deterioration of services and the theft, decay and lack of maintenance of the country's infrastructure.

We need to act in the interests of the country and on evidence and hold people to account.

In the interim, South Africans must consider how best to insulate the country's security agencies (indeed, the entire civil service) from political interference, given the real prospects of political change and the temptation to replace supporters of one ANC faction with other political appointees.

It is possible to rescue South Africans from the steady deterioration of services and the decay of the country's infrastructure

The scenarios outlined in this report indicate that there will be considerable political turbulence ahead and it is critical that senior appointments and structures have broad political support across party lines and that they are insulated to the extent that a change in government will not have an impact on them. The work in pursuit of that ideal must start now and would be a fitting rejoinder to the raging and ongoing debate about cadre deployment.

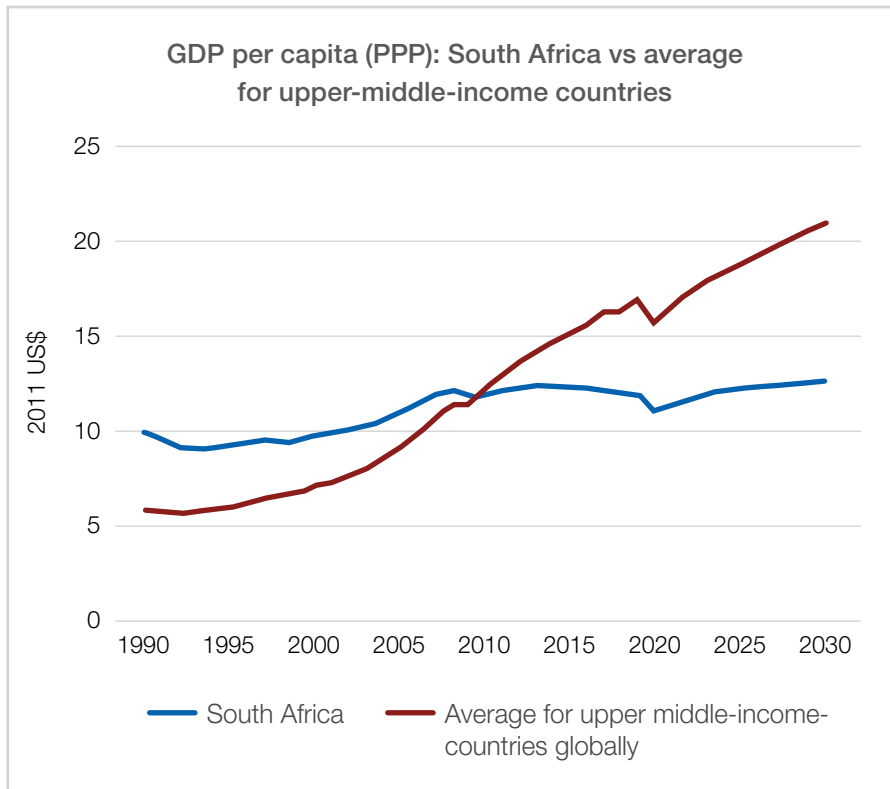
Development implications

Instability and low growth serve to increase political uncertainty and undermine inflows of foreign investment and, indeed, the rate of domestic investment. Fixed capital investment in South Africa is already dangerously low. Using the International Futures platform, we forecast a modest long-term growth trajectory of 2.4% from 2022 to 2029, with the potential of improving to 3.4% should a raft of pro-growth reforms be implemented.

The realisation of the higher growth number would still mean that South Africa requires a decade or more to make a real dent in extreme poverty and reduce inequality (which is only possible with significant employment creation) and unemployment.

The 2.4% economic growth forecast could be associated with the Bafana Bafana scenario and the 3.4% with the Thuma Mina or Mandela Magic scenarios. We concur with the conclusions contained in a discussion paper released by the National Treasury in August 2019 that '[t]he continuation of low growth and rising unemployment

Chart 10: South Africa – falling further behind its peers



means that South Africa’s economic trajectory is unsustainable.’ More than 30 million South Africans (half the population) live in extreme poverty (using the US\$5.50 gross domestic product [GDP] per capita for upper-middle-income countries) and the situation is unlikely to change much in the short to medium term.

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For example, in the Bafana Bafana scenario extreme poverty would continue to affect 49% of the population (or 32 million South Africans) in 2029. In the Mandela Magic and Thuma Mina scenarios that ratio declines only marginally by then, although it gains momentum thereafter. Many of the reasons for slow growth are self-inflicted, with the lack of early action by government on electricity shortages and the capture of Eskom looming particularly large. South Africa is slowly falling further behind its upper-middle-income peers, as Chart 10 shows.

In 1990 South Africa’s GDP per capita was 168% of the average for upper-middle-income countries. By 2019, before COVID-19, that figure had declined to only 71%. In the Bafana Bafana scenario it drops to 61% in 2029 and



IN 1990 SA’S GDP PER CAPITA WAS 168% OF THE AVERAGE FOR UPPER-MIDDLE-INCOME COUNTRIES – IT IS PROJECTED TO DROP TO 61% IN 2029

53% in 2043. Long before that South Africa will likely be reclassified as a lower-middle-income country. Already it is a drag on growth in the region. Without significantly more decisive action and reform that will unlock confidence, savings and investment and hence much more rapid growth, South Africa's pressing socio-economic challenges threaten to overwhelm the ability of the state to govern effectively.

The ANC's inaction since the Mbeki era has trapped South Africa in a low-growth pathway from which it will take time to extricate itself. In addition, a high-growth strategy would require a future government to step away from several core policy tenets of the ANC.

South Africa provides a springboard for many foreign companies into Southern Africa

These include: land reform without compensation (given the impact it has on investor confidence); the absence of a clear distinction between state and party (through its policy of cadre deployment); the way it has pursued black economic empowerment (through tenderpreneurship) and its partnership with traditional leaders in the former homeland areas (eschewing ownership reform, agricultural progress and poverty alleviation).

On the bright side, in 2023 South Africa should emerge from the constraints on economic growth of a limited electricity supply, although it must still graduate to the least-cost electricity generation model proposed by the Council for Scientific and Industrial Research.

The country remains a significant tourist destination and its beauty and diversity are globally renowned. With developed financial services and a dynamic if declining private sector, the country provides a springboard for

many foreign companies into Southern Africa. It also has a demographic dividend – it is one of only a handful African countries with a positive ratio of working-age persons to dependants – and retains a large minerals endowment, with opportunities to benefit from a transition to renewables given its wind and solar assets.

Education levels are high, although quality is low, and poor health means that the average life expectancy in the country is more than 10 years below the average for upper-middle-income countries. Domestic and international confidence in the future of the country is, however, at an all-time low, underlining the importance of policy certainty and evidence-based content when looking to the future.

Politics in South Africa is increasingly conducted outside the formal sphere, eating away at the legitimacy of the state and its institutions. This is a dangerous and corroding trend in which we end up leaving our politicians to their own devices.

Conclusion

The scenarios outlined in this report are speculative. Because they are presented from most to least likely the Bafana Bafana forecast is more developed than the others and includes more detail about the provincial and local levels.

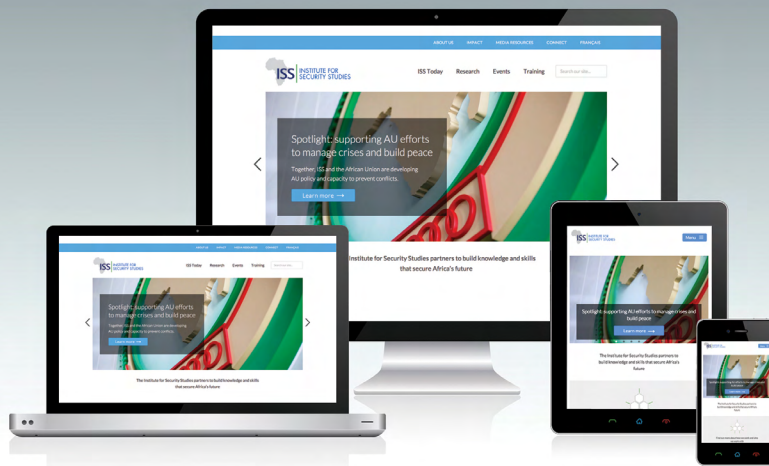
The scenarios are also not mutually exclusive. For example, the CR22 faction could gain a solid victory in December 2022 without the RET faction splintering off. The outcomes of that would be a variation on the forecast for the Bafana Bafana scenario. Time will tell, but the only certainty is that the scenarios presented will be wrong in some aspects. Also, unforeseen developments such as a deadly fifth COVID-19 wave, the illness of senior leaders or a global economic upheaval may undo some or much of the analysis presented here.

Notes

- 1 J Cilliers, *Fate of the Nation*, Jonathan Ball, 2017.
- 2 A Markle and J Cilliers, *South Africa first! Getting to Thuma Mina*, ISS report, 6 March 2020, <https://issafrica.org/research/southern-africa-report/south-africa-first-getting-to-thuma-mina>.
- 3 J Cilliers, *From lockdown to Thuma Mina: Impact of economic reform on South Africa's prospects*, ISS Policy Brief, 25 May 2020, <https://issafrica.org/research/policy-brief/from-lockdown-to-thuma-mina-impact-of-economic-reform-on-south-africas-prospects>
- 4 For more on this see Ivor Chipkin, *Making Sense of State Capture in South Africa*, confidential submission to the State Capture Commission, 2021.
- 5 M Makhanya, *Is Cyril afraid of rogue Lindiwe?*, *City Press*, 13 January 2022.

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