



The  
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South Africa

## Over the rainbow

**It has made progress since becoming a full democracy in 1994. But a failure of leadership means that in many ways, South Africa is now going backwards**

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ON JUNE  
26th  
1955,  
3,000  
South  
Africans  
gathered  
in a  
dusty  
square in



Kliptown, a district of Soweto, a sprawling black township on the outskirts of Johannesburg. Members of the African National Congress (ANC) congregated alongside their anti-apartheid confederates to proclaim a new vision of the future. The next day police broke up the meeting (Nelson Mandela disguised himself as a milkman to escape). But the dream had already been declared. “The people shall govern,” announced the Freedom Charter. South Africa would belong to all of its people, no matter what their colour. There would be work, education and security for all. Everyone would be equal before the law. It was an extraordinary affirmation, full of hope and the promise of a better future.

Today the square is named after Walter Sisulu, an ANC hero and

mentor to Mr Mandela. It boasts shops, offices, a conference hall and a pricey hotel. As the birthplace of the new, inclusive South Africa, it has become a stop on the tourist trail. But just across the railway track, rickety shacks huddle together. The roads are rutted and muddy. Communal latrines stand useless, their doors open and rubbish piled inside. Next to them on the uneven ground wobbles a portable toilet, its door padlocked against vandals. A sludgy stream trickles past, fouled by children unable to find the key in time. Walter Sisulu Square is close by, but the aspirations of the Freedom Charter are nowhere to be seen.

In the 18 years since black-majority rule began and South Africa became a full democracy, its people have made progress. Many more now have access to clean water and electricity. Between 1996 and 2010 the proportion living on less than \$2 a day fell from 12% to 5%. The racist legislation of apartheid has been abolished. The new constitution is liberal and inspiring.

And yet in other ways South Africa is in a worse state than at any point since 1994. In August police shot dead 34 miners on strike at a platinum mine near Marikana, in North West province. Since then wildcat strikes have broken out at other mines. Some operations have been suspended. Thousands of miners have been sacked. In September Moody's, a credit agency, cut South Africa's sovereign rating, citing the declining quality of the government, growing social stresses and worsening conditions for investment. Meanwhile, South Africa's leaders have floundered. The ANC's leadership is up for re-election at a party conference in December. South Africa's president, Jacob Zuma, faces possible ejection as party leader—which would prevent him from being the ANC's presidential candidate in elections in 2014.

The past two months' industrial strife is about more than just pay or perks. The protests are a symptom of the deep malaise that has taken hold of South Africa. The ANC was dealt a bad hand in 1994, and it has played that hand badly. South Africa's difficulties are now so entrenched that the ANC looks incapable of solving them.

The starkest measure of South Africa's failure is the yawning gap between rich and poor. Under apartheid, such inequality was by design. Since apartheid came to an end, a tiny black elite has accrued great fortunes. But that has only widened the wealth gap. South Africa's Gini coefficient—the best-known measure of inequality, in which 0 is the most equal and 1 the least—was 0.63 in 2009. In 1993 it was 0.59. After 18 years of full democracy, South Africa is one of the most

unequal countries in the world.

## Unchartered territory

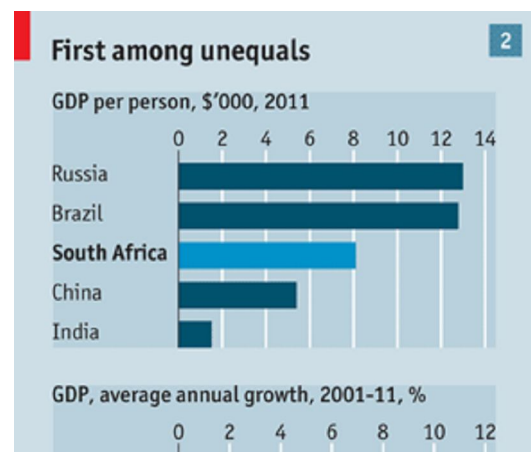
Persistent inequality is in part down to the government's failure to educate young South Africans, particularly black ones. In the World Economic Forum's Global Competitiveness Report, South Africa ranks 132nd out of 144 countries for its primary education and 143rd for the quality of its science and maths. In the Department of Basic Education's national literacy and numeracy tests last year, only 15% of 12-year-olds (sixth graders) scored at or above the minimum proficiency on the language test. In maths just 12% did.

Nokubonga Ralayo, a 20-year-old university student from Khayelitsha, a vast black township on the edge of Cape Town, says success comes down to being able to afford a better school. "It is hard to escape your background when you are growing up," she says. Three-quarters of white pupils complete the final year of high school, but only a third of black pupils.

Schools suffer from poor equipment. Only 20% have libraries, and only 7.5% actually have any books. Almost half of all schools rely on pit latrines instead of proper toilets. In July textbooks that pupils should have received in January were found tossed into rivers in an effort to hide the failure to deliver them.

The standard of teaching is low, too. Training is inadequate. South Africa needs 25,000 new teachers a year but only around 10,000 qualify. Maths and science teachers are in particularly short supply. Many arrive late to school and leave early, spending barely half their allotted time in class. Many fail to turn up at all on Fridays. The teachers' union is more concerned with protecting its members, even the incompetent ones, than with training them. There is little political will when it comes to improving education and few repercussions when those in charge perform badly.

These failures represent a colossal waste of money as well as talent. Education accounts for about a sixth of all government spending—more than in Rwanda, say, which does much better in rankings. Since 1995 South Africa has spent 5-7% of its GDP on education. Today the figure is 6.7%, more than in Brazil.



Chronically poor education means that thousands of jobs go unfilled. Almost half the 95,000 or so nursing jobs in the public sector are vacant, according to the South African Institute of Race Relations. Meanwhile, official unemployment is about 25% and the real figure nearer 40%. (In 1994 unemployment was 20%.) Unequal education creates unequal employment. The unemployment rate among blacks is 29%, compared with 6% for whites.

Youth unemployment is over 50%. Young people who fail to find work by the age of 24 will probably never have a full-time formal job.

Skills shortages are a brake on growth and are just one reason why the country's inclusion in the BRICS (albeit as an afterthought) looked incongruous. In September the Reserve Bank reckoned that South Africa's growth rate for 2012 would be just 2.6%. Countries such as Nigeria and Angola have galloped ahead in recent years, with growth pushing 10%, albeit from a lower base. The economy, much smaller than that of the other BRICS, is likely to be toppled from its spot as Africa's biggest by Nigeria's in the next decade.

The recent wave of industrial action will only bring that moment nearer. After the miners at Marikana won a handsome pay rise, 75,000 miners, chiefly of gold and platinum, went on strike, mostly illegally. Anglo American Platinum, the world's largest platinum miner, has fired 12,000 workers. Gold One has sacked over 1,400. Industrial action has now spread beyond mining. In September 20,000 lorry drivers went on a three-week strike, affecting deliveries of petrol, coal, cash and other goods. A deal was signed on October 12th, but textile workers in Newcastle, the third-largest city in KwaZulu-Natal, are on strike, along with municipal workers in North West province. There is talk of a nationwide strike by local-government workers.

In October Gill Marcus, governor of the central bank, said that the past two months had hurt South Africa's reputation as a place to invest. She pointed to R5.6 billion (\$643m) in net equity-market outflows on October 8th as evidence of a loss of confidence. "The outlook at the moment is deteriorating rapidly," she said. Mark Cutifani, chief executive of AngloGold Ashanti, the world's third-biggest gold producer, says the strikes in the mining industry could lead his



company to shrink its operations in South Africa.

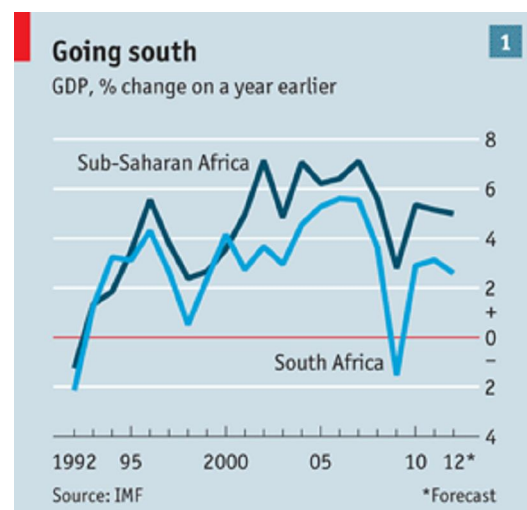
Corporate investors have come to expect trouble, says Peter Attard Montalto, an emerging-markets analyst at Nomura International, an investment bank. South Africa used to see large, if infrequent, foreign investment, but it has seen virtually none since the beginning of the year. Investors are worried about labour laws, the prevalence of strikes and the unions' close relation with the ANC. Increasingly, they have somewhere else to put their money.

### The trouble with politics

Economic malaise and the chronic failure of government services are an indictment of South Africa's politicians. Under apartheid, a role in the ANC was about sacrifice and risk. Today it is a ticket for the gravy train. Jobs in national and local politics provide access to public funds and cash from firms eager to buy political influence. For someone from rural South Africa, who has a poor education and little chance of getting a good job, a seat on the local council may be the only way out of poverty. Higher up, the rewards are even greater. The public protector, who looks into public-sector misconduct, is investigating reports that hundreds of millions of rand are to be spent on improving Mr Zuma's private homestead in the village of Nkandla.

Because the stakes are so high, competition for power is bitter and sometimes bloody, particularly at the local level. In the past five years over 40 politicians have been killed in KwaZulu-Natal, a province with a history of political violence, and at least five more in Mpumalanga, a province in the north-east of the country. The killing is often about money. Sometimes whistle-blowers are murdered to stop them revealing corruption; sometimes rivals are disposed of. In 2009 Moss Phakoe, a municipal councillor in North West province, was shot in Rustenburg after handing over a file detailing corruption in the municipality to a high-ranking ANC official. Phakoe had been trying to get senior ANC members to investigate the matter. The former mayor of Rustenburg and his bodyguard were jailed for the murder.

In August Lindiwe Mazibuko, the parliamentary leader of the opposition





Democratic Alliance (DA), accused the ANC of creating a class of “tenderpreneurs,” in business to get state contracts using their connections in government. Outright bribery of low-level officials is common. No one knows how much money corruption costs the country but the effect on its democracy is devastating. Whether people are prosecuted for graft seems to depend on whom they know. Few think Julius Malema, a populist former leader of the ANC Youth League now excommunicated from the party, would be facing charges for money laundering had he not turned against Mr Zuma.

That lack of accountability is partly down to the country’s system of party lists at general and provincial elections; individual MPs are not answerable directly to voters, but solely to the party managers who determine their ranking on the list. Only at the lowest level—the municipalities—is there a system of constituencies (or “wards”) and then only for half the seats. This means politicians have little incentive to provide for their voters.

The gap between leaders and voters is mirrored inside South Africa’s unions. At the annual conference of the Congress of South African Trade Unions (Cosatu) in September, Zwelinzima Vavi, Cosatu’s boss, warned that “different lifestyles and material realities are creating a leadership which is not fully in tune with what members are facing.” This has arisen, in part, said Mr Vavi, because Cosatu has become preoccupied with politics and its relations with the ANC, rather than with standing up for workers’ rights. There was, Mr Vavi admitted, a sense that some union leaders were loth to take up issues for fear of embarrassing the ANC. Disenchantment with unions makes wildcat strikes more likely.

### **A call for something new**

So far the opposition poses little threat to the ANC’s dominance. In the 2009 general elections an ANC splinter group, the Congress of the People, won just 7% of the vote. It has since spluttered on, amid infighting, financial difficulties and the return of some prominent members to the ANC. The Inkatha Freedom Party, which controlled KwaZulu Natal until 2004 when it lost control of the province to the ANC, has withered away. In the 2009 election it won less than 5% of the vote.

That leaves the DA, which won 17%, as the main political opposition to the ANC. But so far it has failed to win over poor, black voters. It runs the Western Cape but no other province, though it has its sights on

Gauteng, the richest, at the next poll. Despite having a black deputy leader, it is still seen as a white party. Ms Ralayo, the Cape Town student, says she would never vote for the DA, as she still believes the party's policies discriminate against black and coloured (mixed-race) people.

The DA must therefore find a way to broaden its appeal without losing its existing supporters. In September Helen Zille, the party leader, called for a new movement based on a commitment to the constitution. She asked those members of the ANC who rejected populism to join her. The response has been muted. The ANC's constitutionalists are unlikely to jump ship unless the party looks to be on the verge of losing power. At the moment it is not.

The solid support for the ANC, which still regularly attracts over 60% of the vote, is partly due to its liberation credentials and partly down to race. It also helps that the ANC has more money than any other party. It can afford to go to townships days before elections and hand out food parcels. It still convinces a diverse range of black South Africans that it has their interests at heart. Poor black South Africans have benefited from social grants, the working class from the party's pro-labour stance and the power of the unions, and the middle and upper classes from its policy of "black economic empowerment".

Thus the most important check on the ANC comes from outside party politics. Lobby groups and NGOs have a commendable history of holding the government to account and stepping in where it fails, although funding, whether it comes from the government or from donors, is limited. One NGO, Section 27, is taking the education department to court over the textbook fiasco. Rape Crisis supports victims of rape, of which there are many, offering them counselling and helping them pursue justice. The Social Justice Coalition, which works mostly in Khayelitsha, is calling for improved policing and better sanitation. Abahlali base Mjondolo, or "shack dwellers", campaigns for public housing.

The media, too, remain critical. Some fear that the "secrecy bill", a law intended to protect state information, will be used to stifle criticism of the government. The law has not yet been passed, and in the meantime newspapers, in particular, continue to nag the government about its poor performance and lambast it over corruption.

Most important are South Africa's courts—especially the constitutional one—which have long been hailed as a bulwark against the ANC's

authoritarian and corrupt tendencies. By and large, the judiciary is still independent and committed to the laws and constitution, but the ANC repeatedly tries to pack it with its friends.

The weakness lies in the police and the national prosecuting authority, both essential to upholding the rule of law. They are not independent, nor perceived to be. Whether the government's influence over prosecution is direct or indirect, the authority does not always act without fear or favour in politically sensitive cases, says Pierre de Vos, a constitutional-law scholar at the University of Cape Town.

The judiciary will be a test of the ANC's democratic credentials. Some within the government seem increasingly uncomfortable with the Constitutional Court's independence and the tendency of its judges to criticise the party. Last year's appointment of Mogoeng Mogoeng as the court's head was not encouraging. The rejected, more experienced, candidate was Dikgang Moseneke, the deputy chief justice, who insists that judges are accountable to the people, rather than politicians.

### The young ones

Almost one-third of South African voters are now too young to have any direct memory of the oppression of apartheid, or of the popular struggle against it. Their loyalty to the ANC is not as inevitable as that of their parents or grandparents. Ms Ralayo admits she is disappointed in the party. "Power changes people," she says. "Looking at where we are now, it is hard not to feel depressed. You see people fighting over power, people who will do anything for money or power." She believes that change will come when citizens feel the government is no longer untouchable.



They would welcome some textbooks

But so far there is little sign of change from the ANC. Marikana should be a wake-up call to the government, but South Africa's leaders, engrossed by factional infighting, appear deaf. If the government does not respond more vigorously, the country could see a surge in the kind of populism peddled by Mr Malema.

The immediate test of the ANC is its leadership election, to be held at its conference in December. Kgalema Motlanthe, the deputy president,



is Mr Zuma's most likely opponent. Some think he would be a more competent leader, but he is less popular than the president and has not officially said whether he will stand.

That leaves Mr Zuma unchallenged for now. He came to power promising to tackle unemployment and corruption, but has accomplished little. He owes so much to South Africa's vested interests that it is difficult to imagine him embarking upon radical reform. If he is simply re-elected without promising anything new, it will be a worrying sign that the ANC has failed to grasp what ails their country. The tragedy of Marikana appalled South Africans and outsiders alike. If it does not jolt the government into action, what will?

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