

Cabinet reshuffle

27 February 2018

All in all it is a very mixed bag: some good appointments; some rewards to staunch supporters and some reaching out to opponents, both in the best tradition of politics; and some unpleasant retentions.

The changes in brief

Make no mistake, a lot of blood was spilt. Ten of the 35 ministers were dropped from cabinet. They include Zuma faithfuls like David Mahlobo and Faith Muthambi. Most, but not all, of the Zupta ministers are out. The two noticeable ones remaining are Malusi Gigaba (sent back to Home Affairs from Finance) and the chair of the ANC Womens' League Bathabile Dlamini (who relinquishes Social Development and becomes Minister in the Presidency for Women Affairs).

In addition there were a lot of portfolio changes. 12 of the 35 ministers remained in their portfolios and 23 swapped portfolios. Most of the changes occurred in the economic cluster. The cluster consists of 21 ministries, 14 of them are getting new ministers. (These numbers illustrate why there are serious questions around the efficiency of the cluster system, but that is another topic.)

The most high profile changes in the cluster are Nhlanhla Nene at Finance, Gwede Mantashe at Mineral Resources and Pravin Gordhan at Public Enterprises. These are inspired choices, in my opinion. Nene will bring some calm, respect and stability to Finance; Mantashe can bring business, labour and government together in the mining sector; and Gordhan will have a field day cleaning up the state owned enterprises. The market will probably like these changes.

Some political realities

The appointment of David Mabuza as deputy-president is a reflection of political reality –he was elected by the ANC conference as deputy of the party, on what basis could he then be excluded from the deputy-president position? This is really a case of “inside the tent ...”.

Political reality also explains the controversial but predictable appointment of Bheki Cele at Police. He was dismissed as Police Commissioner because of shenanigans around lease contracts for the Police headquarters. However, he was an outspoken and energetic supporter of Ramaphosa in KZN during the ANC election campaign and he was bound to be rewarded. He is also critical to consolidate Ramaphosa's beachhead in that province.

I mused that Cele may have been given the State Security portfolio to clean up that Zuma power base. Instead the position instead went to a current deputy-minister, Dipuo Letsatsi-Duba. She hails from Gauteng, went into exile in 1982, was deployed to Limpopo as MEC in 2007, went to Parliament in 2014 and became a deputy-minister in 2017. Ramaphosa must trust her to put her in that key portfolio.

Nkosazana Dlamini-Zuma's appointment was no surprise. Her presence is all the more necessary given that KZN has lost out so completely in the elections for the Top 6. She is now in charge of measuring and monitoring the implementation of the National Development Plan. Her reputation as somebody who religiously follows prescribed policies will now be tested.

Leading members of the SACP were brought back into senior cabinet positions: Blade Nzimande and Thulas Nxesi. Again, the SACP was one of the first to support Ramaphosa....

Two things that did not change

The old cabinet consisted of the president, deputy-president and 35 ministers. In addition there were 37 deputy ministers. In the new cabinet there are still 35 ministers and 33 deputies. The president said that the number of

ministries will be part of the intended review of the size and composition of government.

Fair enough, but there was some low-hanging fruit that he could have harvested e.g. Economic Development back with DTI; Communications back with Telecommunications and Postal Services.

The president did not act against Bathabile Dlamini who was responsible for the social security mess and is currently explaining to a judge why she should not personally pay the legal expenses around that. Granted, she is chair of the ANC Women's League, but surely it is time for the Women's League to choose a different chair? The president of the party could have nudged that.

He also left in cabinet Malusi Gigaba who was found by a full bench of the High Court to have lied under oath: "By telling a deliberate untruth on facts central to his decision in this case, the minister has committed a breach of the Constitution so serious that I could characterise it as a violation" ruled Judge Tuchten. This judgment is on appeal to the Constitutional Court. Perhaps that explains why the President retained him – let the Court make a final judgement. The fact that he is from KZN probably also played a role.

So What?

- The destructive Zuma cabinet reshuffle of March 2017, which led directly to SA's downgrade, has largely been reversed.
- Also reversed was Zuma's decision of December 2015 to fire the first Black African to be minister of Finance, Nhlanhla Nene. Zuma's choice as deputy-minister of Finance, Sifiso Buthelezi, has also been removed and sent as deputy to agriculture. Zuma's persistent attacks on Treasury have been reversed.
- A key risk to the country, some corrupt and some badly managed state owned enterprises, can now be dealt with decisively Pravin Gordhan's stewardship.
- The changes will help with economic management and may thus help with sorely needed credit ratings.
- However, one cannot live by the markets alone. The president has kept his friends close, but he kept his enemies even closer. As a consequence there are compromises in the reshuffle and these compromises give us a compromised cabinet. He will have to make good in the coming months on his promises of renewal, ethical leadership and smaller government.