

Some you win, some you lose 2024

18 October

There is an old saying that there are weeks when nothing happens, and then there are days when weeks happen. The first 2 weeks of October were days when a lot happened in both policy and politics.

Policy

Visas

The Minister of Home Affairs gazetted new visa regulations. Visa reform has been a government priority for a long time, predating the government of national unity, and it has now at last happened.

The new regulations create a points-based system for foreigners to acquire South African work visas. They also create a remote working visa, where people can work elsewhere but still live in South Africa and work from here. These changes are significant and make the visa regime easier.

Wide structural reform

Visa reform was a key part of Project Vulindlela's priorities. The others included spectrum release (done), electricity regulation reform (done), facilitating private sector investment into renewables (done and about R500 billion unlocked and counting), breaking up Eskom (transmission done; distribution still to be done), ensuring electricity supply (200 days no load-shedding and counting) and fixing water licences (done). It is remarkable what has been achieved with focus and political will.

Vulindlela 2 will soon be released and cover water security, logistics, further electricity reform, local government, spatial inequality, and digital transformation. Water, spatial inequality, and local government - they will all make a big difference in citizens' lives.

Setback

A negative development in October, and certainly a setback for Project Vulindlela, is the High Court decision temporarily interdicting Transnet's concession of the Durban port to a Philippine international port operator. The contract was for a 25-year concession with investments of about R11 billion to modernise and upgrade the Durban harbour. Maersk, a well-known name in South Africa, also wanted the concession and objected to the High Court that Transnet did not apply the tender conditions correctly. The judge agreed with Maersk and issued an interdict to stop Transnet from proceeding. In a second set of proceedings, the court will now hear the merits of the case. It delays a decision to bring about a big productivity improvement and a few billion rands into the country.

We've had a similar situation before. There were political problems and resistance when spectrum was released, but they were overcome, and spectrum release proceeded. Then, several companies brought court applications to stop the release. In the end, the matter was resolved outside the courtroom. I hope that the port dispute will be solved similarly. There is a responsibility to govern and make decisions; one cannot just stand back and let the courts take over that function.

Continued government-business co-operation

On 1 October government and business agreed on a second phase of their partnership, which helped to make Vulindlela 1 a success. In this second phase, the priorities will be energy, transport and logistics, and crime and corruption. They tie in nicely with Vulindlela 2 priorities.

Since that formal agreement on 1 October it has also transpired that several large companies are preparing to help with the unfolding water crisis, particularly in Gauteng.

Noticeably, some ministers have changed their language around business and the private sector. When

one sits in the same room, it shifts one's perceptions.

Foreign affairs

Also in October, the US embassy in SA confirmed that it will hold a 'bosberaad' with the SA government to form a stronger 'strategic partnership'. It is a sharp U-turn from the Lady R allegations and follows the China-Africa summit where President Ramaphosa was received with a state visit. Non-alignment is possible even if some want to force SA into a camp.

Politics

Just as the government of national unity was approaching 100 days in office, events in Tshwane took a different turn, away from the 'government of unity' concept.

ActionSA broke its coalition agreement with the DA and other smaller parties, supported a motion of no-confidence by the ANC and replaced the DA administration with one consisting of ANC, ActionSA and EFF councillors.

About 18 months ago, in March 2023, ActionSA expelled some councillors from Tshwane because they were suspected of talking to the EFF and ANC. Party leader Mashaba was on record that he would never go into a coalition with the ANC. Now, ActionSA has done just that. ActionSA spokesperson Michael Beaumont explained the U-turn by saying that May's (national) election results changed the political ball game. Coalitions are now the name of the game and ActionSA had to adjust to that. Why ActionSA decided to scrap one coalition (with the DA and smaller parties) for another (the ANC and EFF), he did not explain. Whether the new coalition can improve the governance of Tshwane over the next 24 months towards the next local government elections remains to be seen.

In response to the Tshwane developments, the DA's Helen Zille made it clear that the party will no longer negotiate with the ANC on possible coalition governments in Ekurhuleni, Johannesburg, and Nelson Mandela Bay - 3 metros in dire need of the stability a strong coalition government can bring.

Convincing ActionSA to jettison a coalition with the DA and join one with the ANC/EFF is a big victory for Gauteng ANC leader Panyaza Lesufi. His victory was further boosted by the DA's reaction to suspend further talks on coalitions in Ekurhuleni and other metros.

Ekurhuleni, in particular, is a missed opportunity. The current ANC mayor has clarified that he would like to see a city government that includes DA members. As the mayor said, 'There are only 2 years before an election. There's no time for new things. It is time for action and service delivery.' By the DA calling off further talks with the ANC, that option is now off the table.

In these missives, I have consistently pointed out that there are two centres of power in the ANC who would rather work with the EFF than the DA: the Gauteng ANC and the KZN ANC. The KZN ANC has been smashed in the election (17% of the vote). Gauteng ANC did better with 35% of the vote and they are in control of the province. As Tshwane shows, the Gauteng leadership will do their best to shun the DA.

Some factions in the ANC and the DA will jeopardise the coalition idea, either with a very different philosophy or an undermining style. How this shapes and morphs the 2 main parties over the next 2 years will be interesting to watch.

It is unlikely that the Gauteng shenanigans will undermine the progress being made on the national level. None of the 10 parties serving in the GNU will walk away, and the work of the national government will carry on.

So what?

- The formation of the government of national unity was a win for the centre ground in our politics; the failure to do so in Gauteng is a loss.
- The loss in Gauteng is unlikely to upset or derail the win at national level. The work of the government of national unity will carry on.
- It is a big win that the process of structural reform at national level (Vulindlela) is proceeding apace. Government and business cooperation has been renewed for a second round and Vulindlela 2 will soon be released, reinforcing the reform agenda further.
- That opens the possibility of a return to 3% plus growth over the next few years - which is what SA's

average growth rate has been since the 1940s.