

The rise or fall of South Africa in the 2020s

The latest scenarios

A strategic intelligence briefing

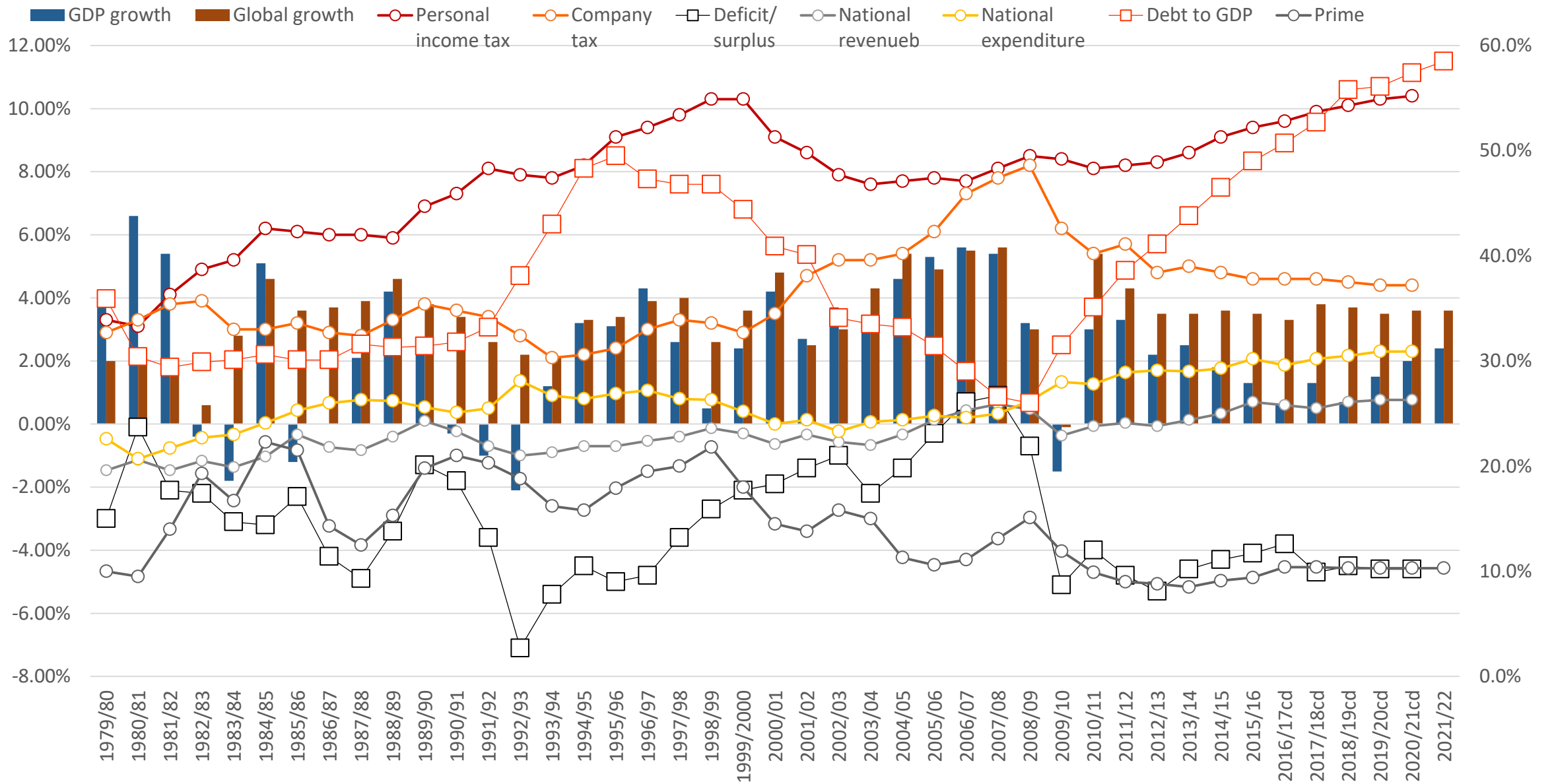
Frans Cronje – 2019

I feel like a jackrabbit
caught outside in a Texas
hailstorm. I cannot run. I
cannot hide. And I cannot
make it stop.

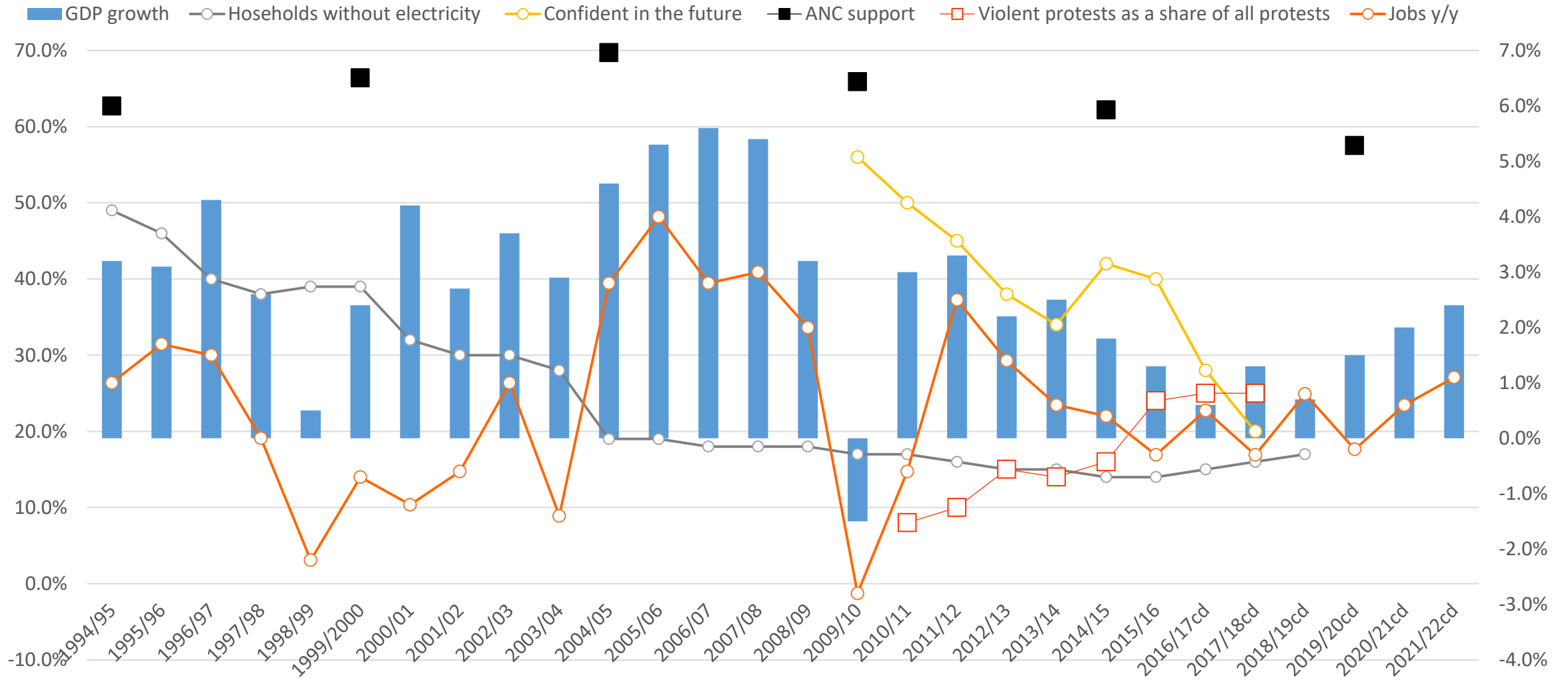
Absa/BER average* purchasing managers index (PMI), 2000-19



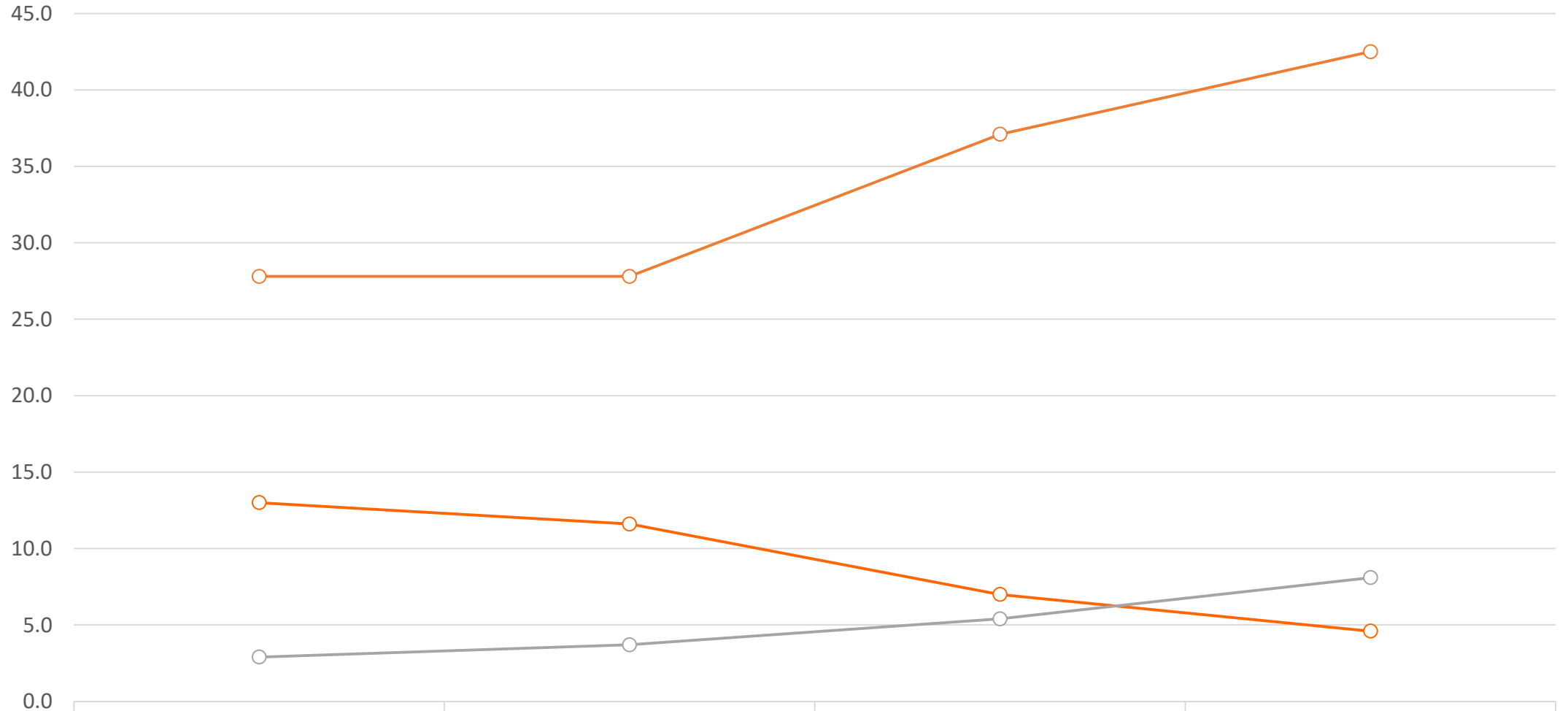
The economy 1978 to 2021



Key relationships 1994-now

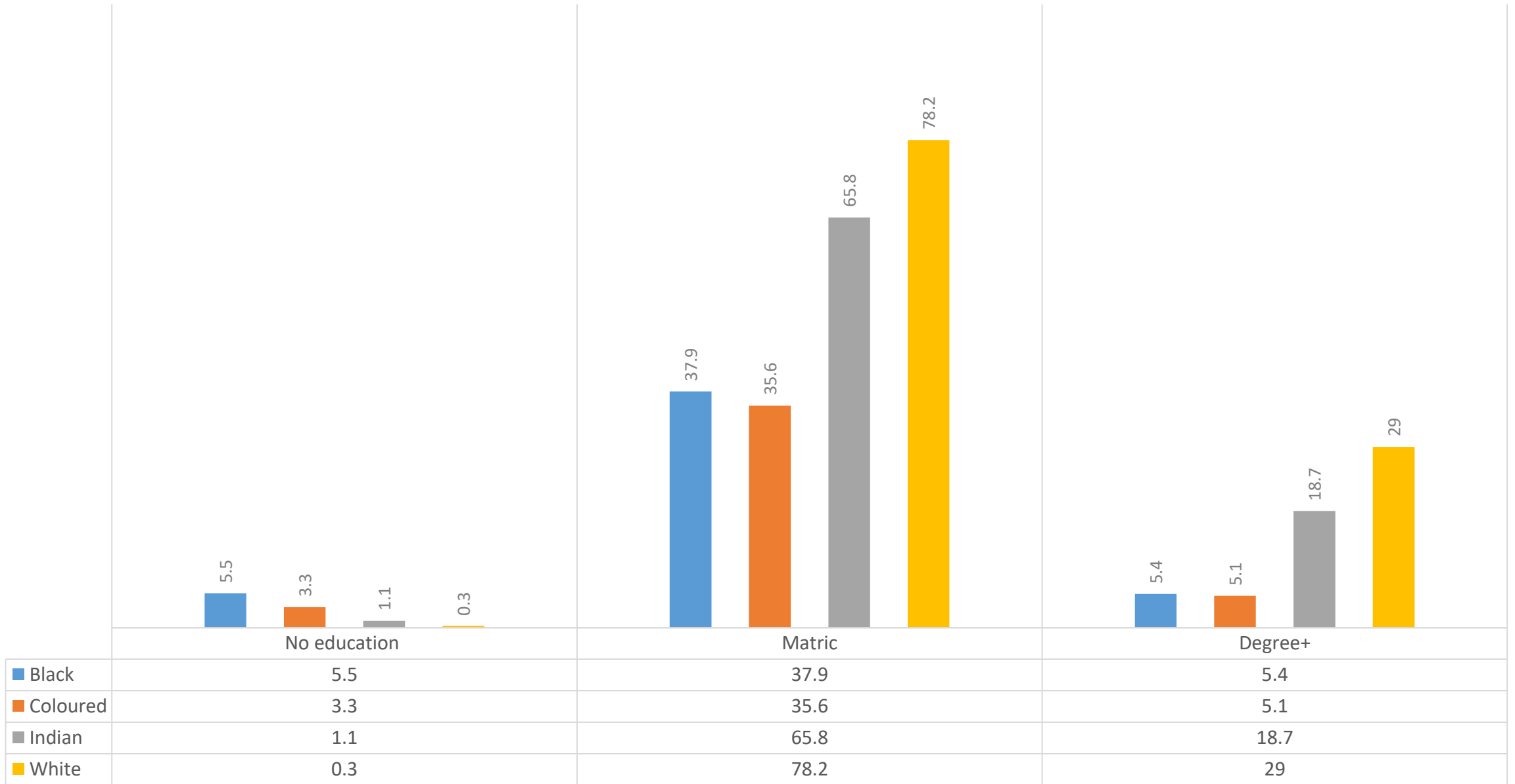


Education profile of people aged 20+ over time

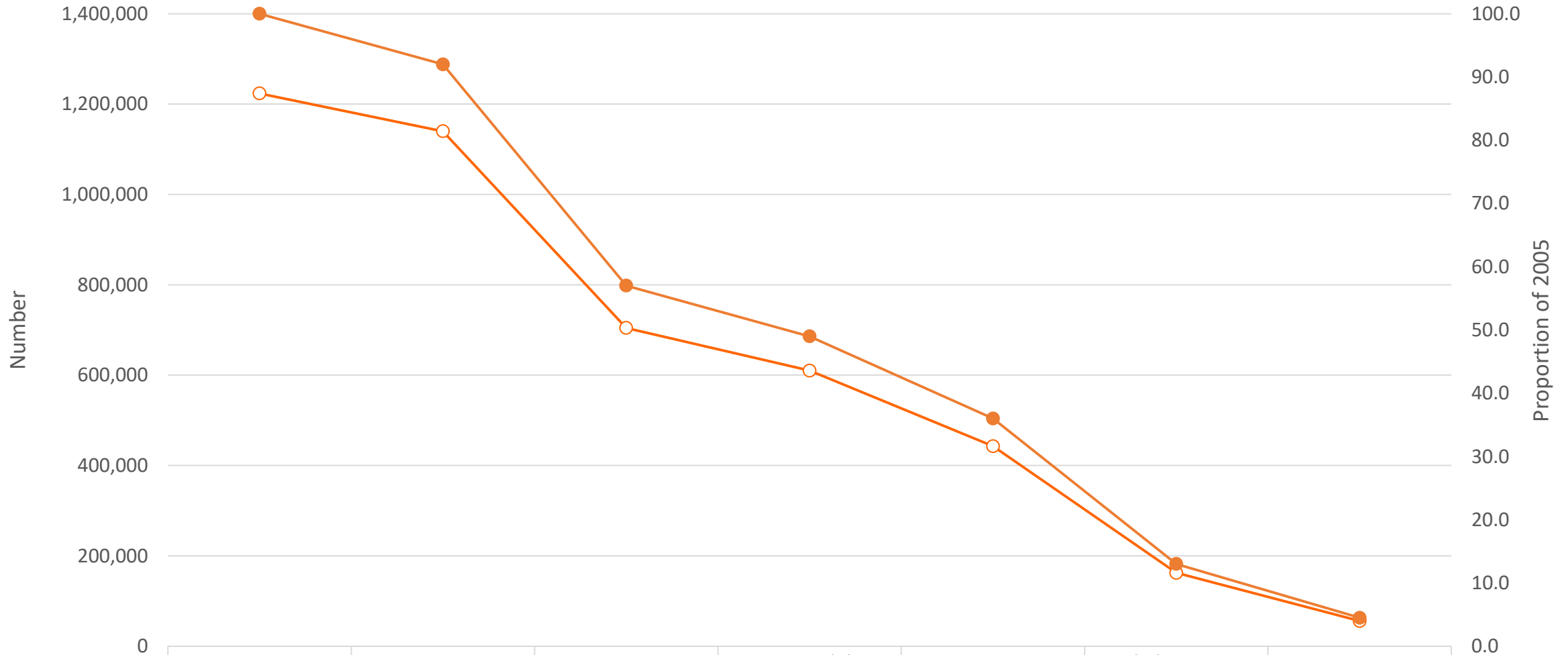


	1995	2002	2012	2017
No education	13.0	11.6	7	4.6
Matric	27.8	27.8	37.1	42.5
Degree+	2.9	3.7	5.4	8.1

Education profile of people aged 20+ by race

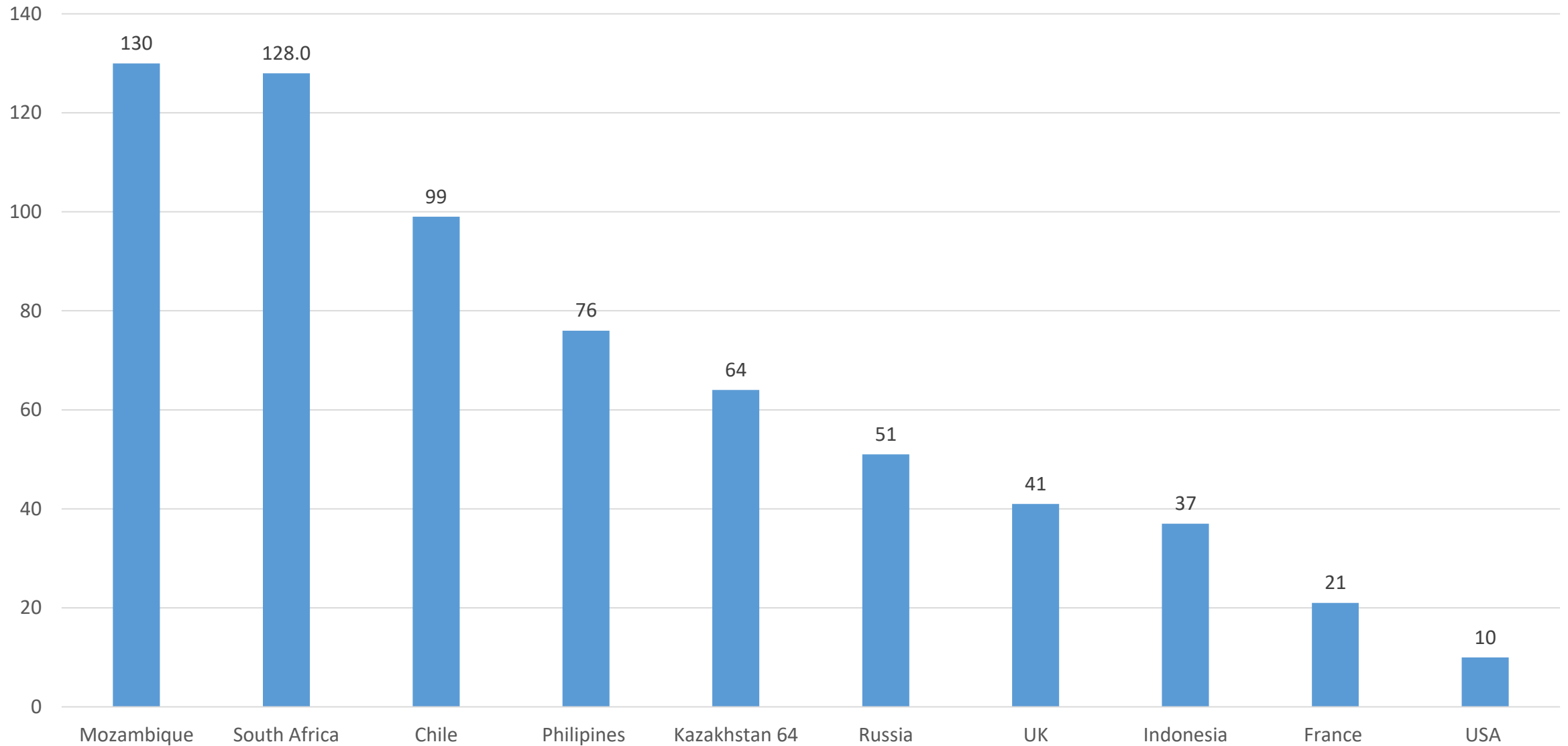


High school throughput

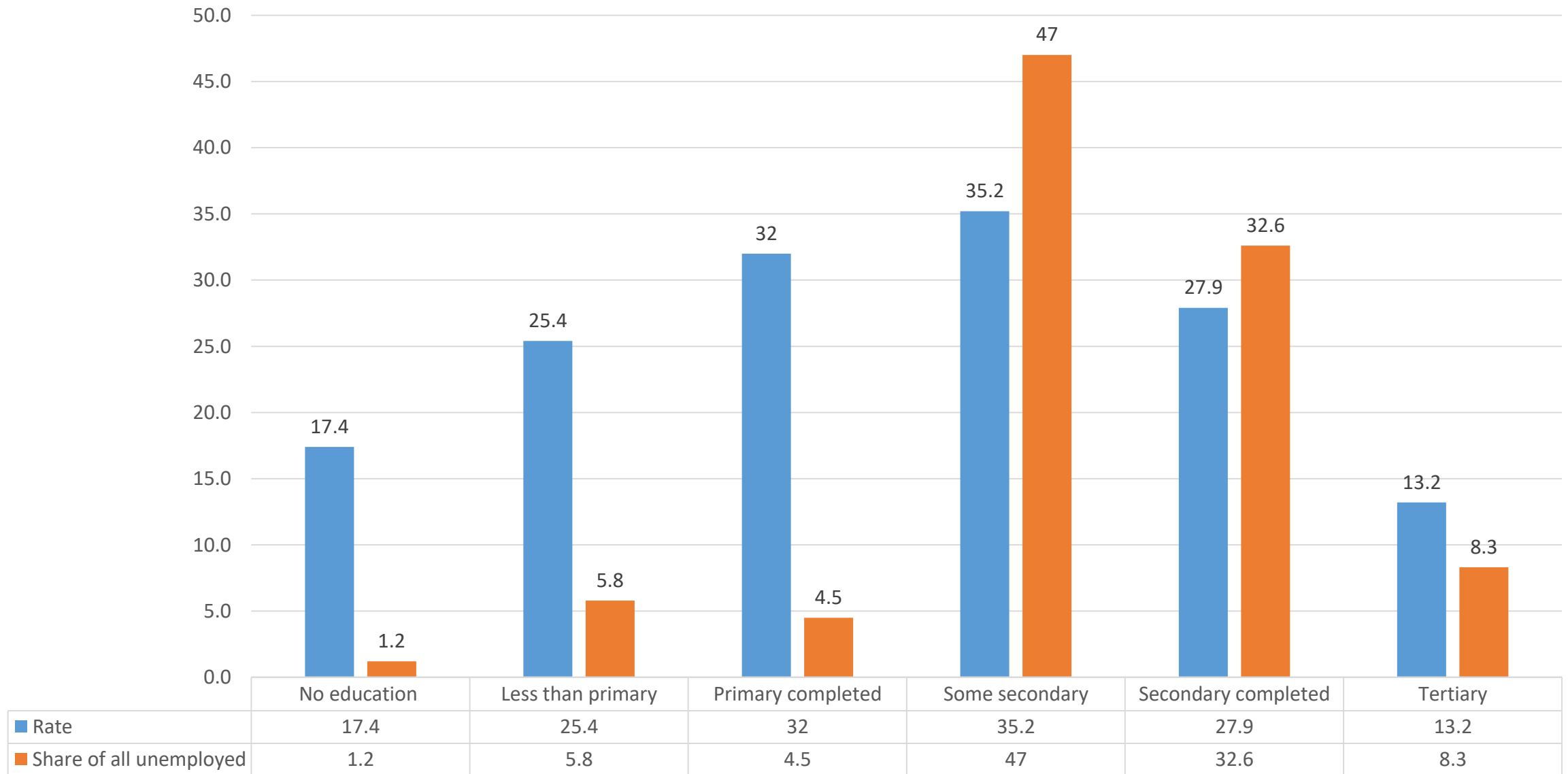


	Grade-1 2005	Grade -10 2014	Matric-2016	Matric candidates 2016	Matric passes 2016	Bachelors passes 2016	Maths pass 50%+
Number	1223581.0	1139872	704533	610178	442672	162374	55820
Percentage	100.0	92	57	49	36	13	4.5

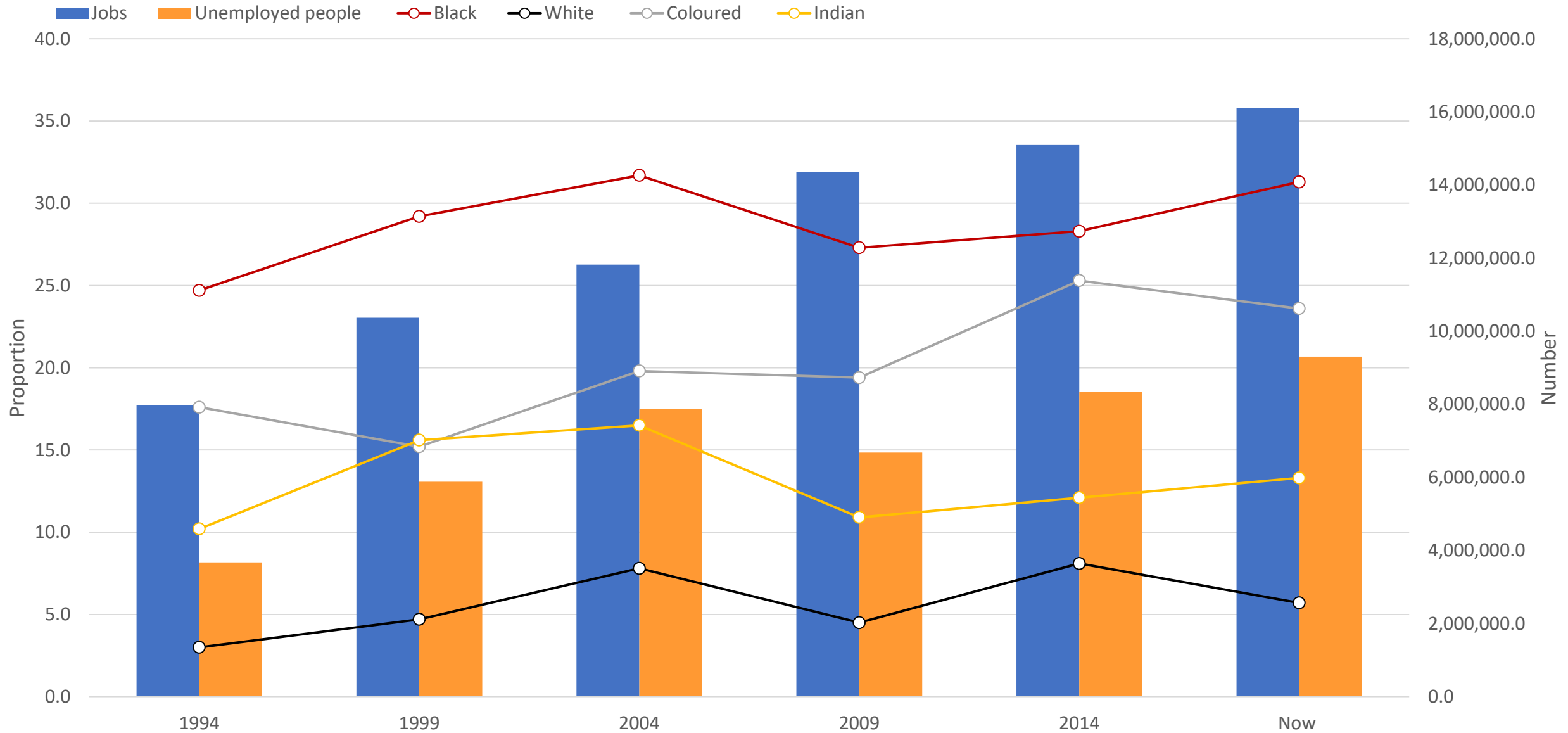
Quality of maths and science education ranked out of 140 countries



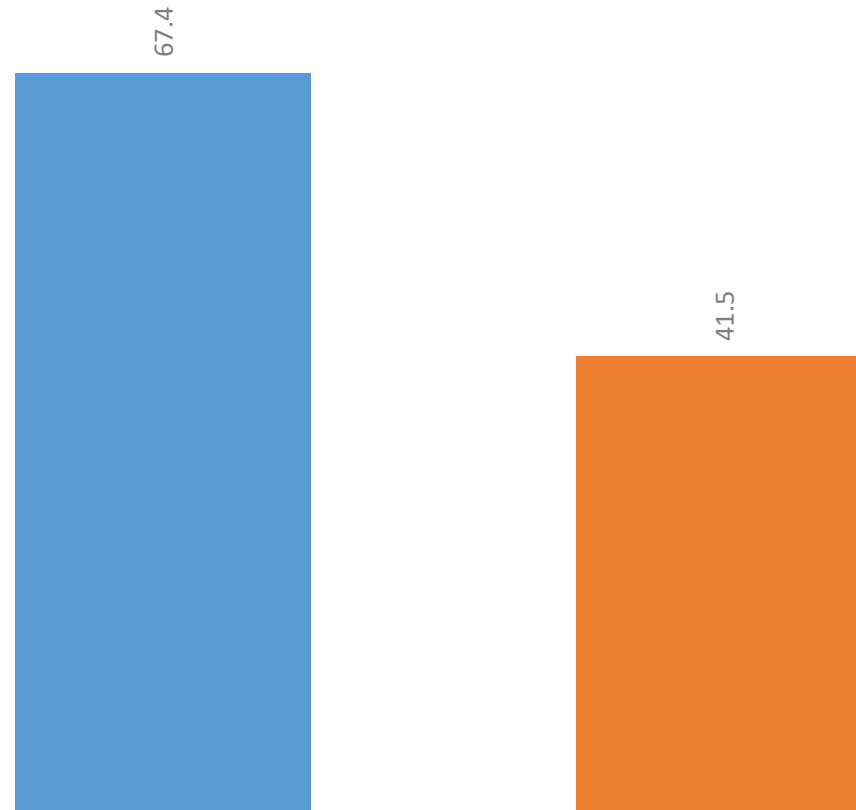
Unemployment (official) by level of education



Unemployment rates (official) by race vs total job numbers and total unemployed



Unemployment (expanded) by age



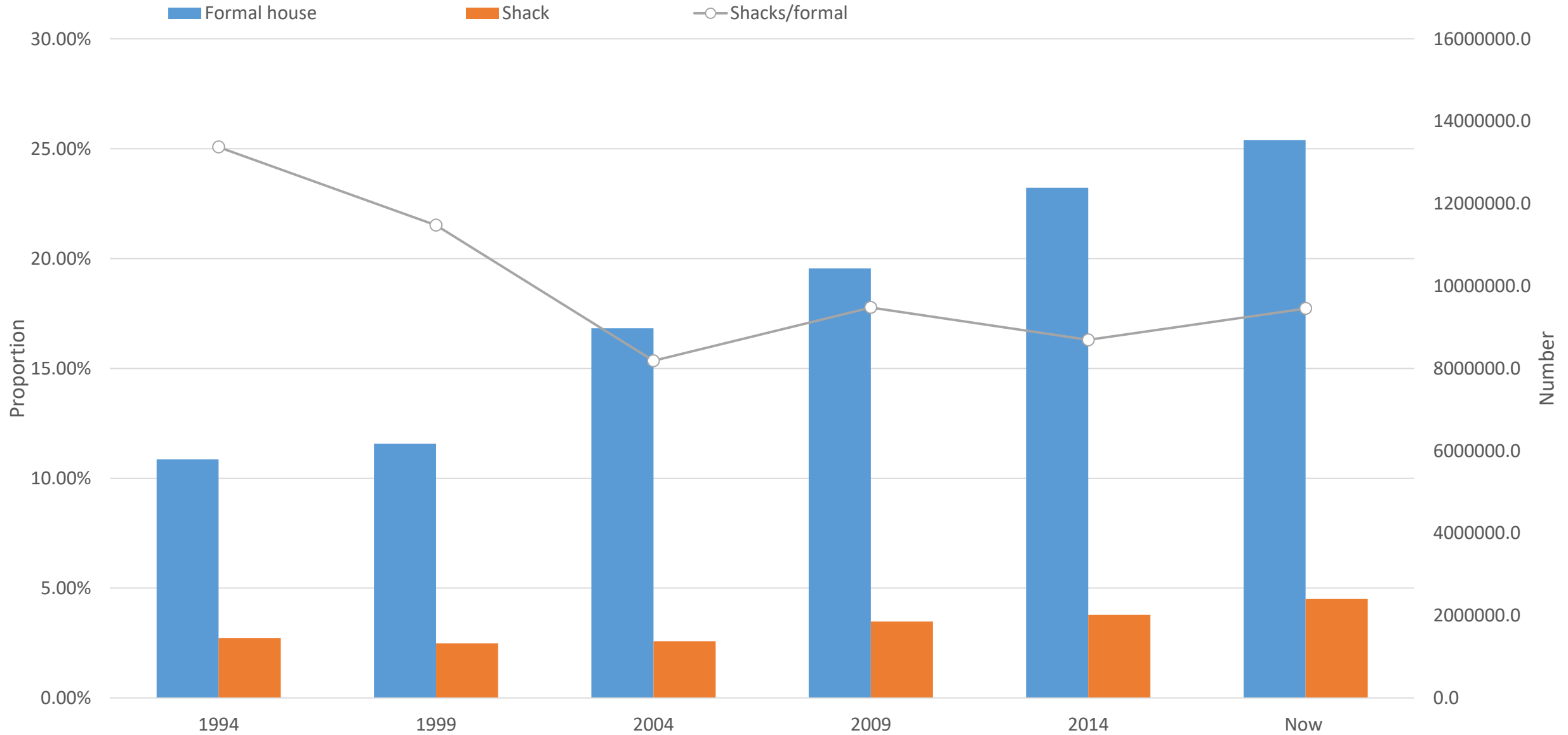
15-24	67.4
25-34	41.5

67.4

41.5

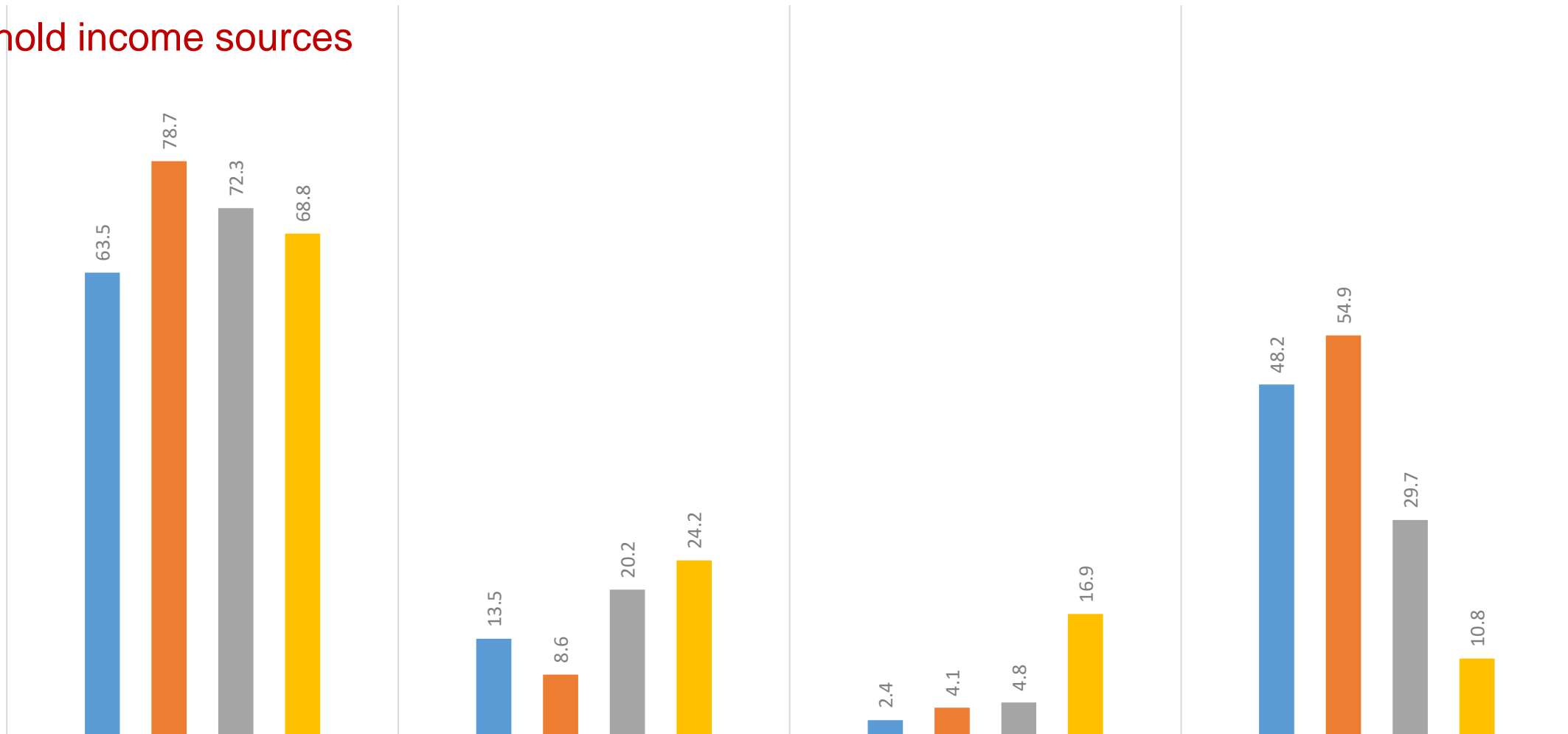
Expanded rate of unemployment

Living conditions



Household income sources

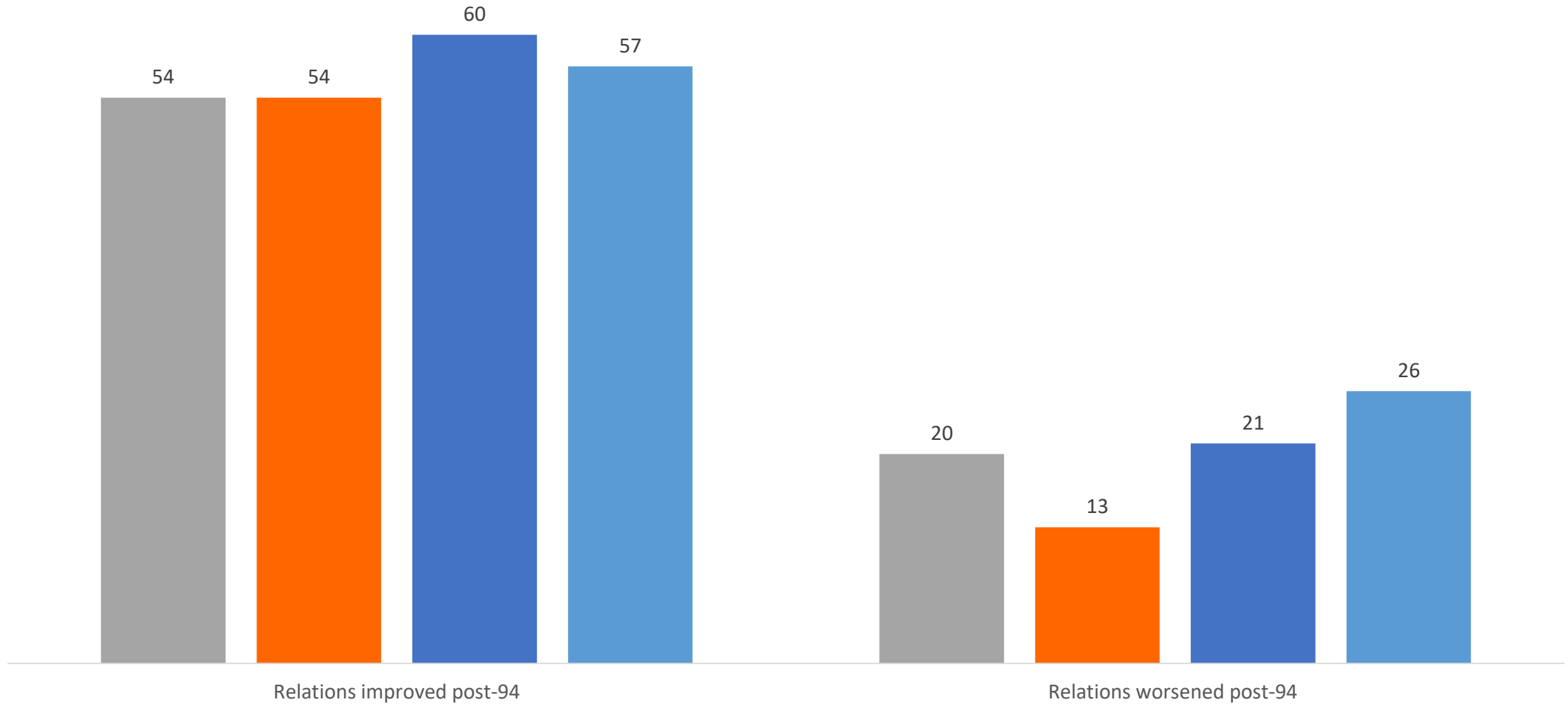
PROPORTION REPORTING SUCH INCOME



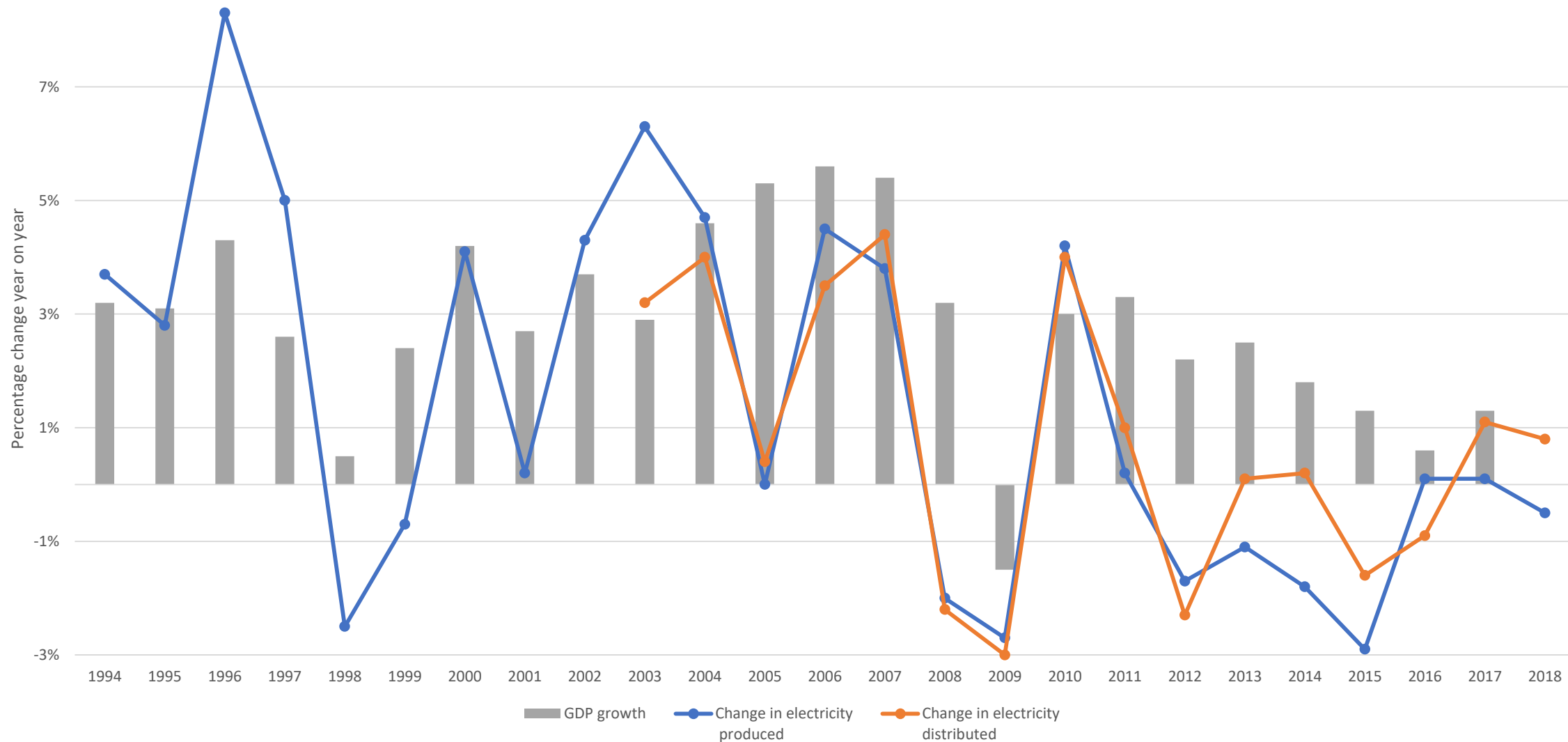
	Salaries	A business	Pensions	Grants
Black	63.5	13.5	2.4	48.2
Coloured	78.7	8.6	4.1	54.9
Indian	72.3	20.2	4.8	29.7
White	68.8	24.2	16.9	10.8

CRA polling on race relations

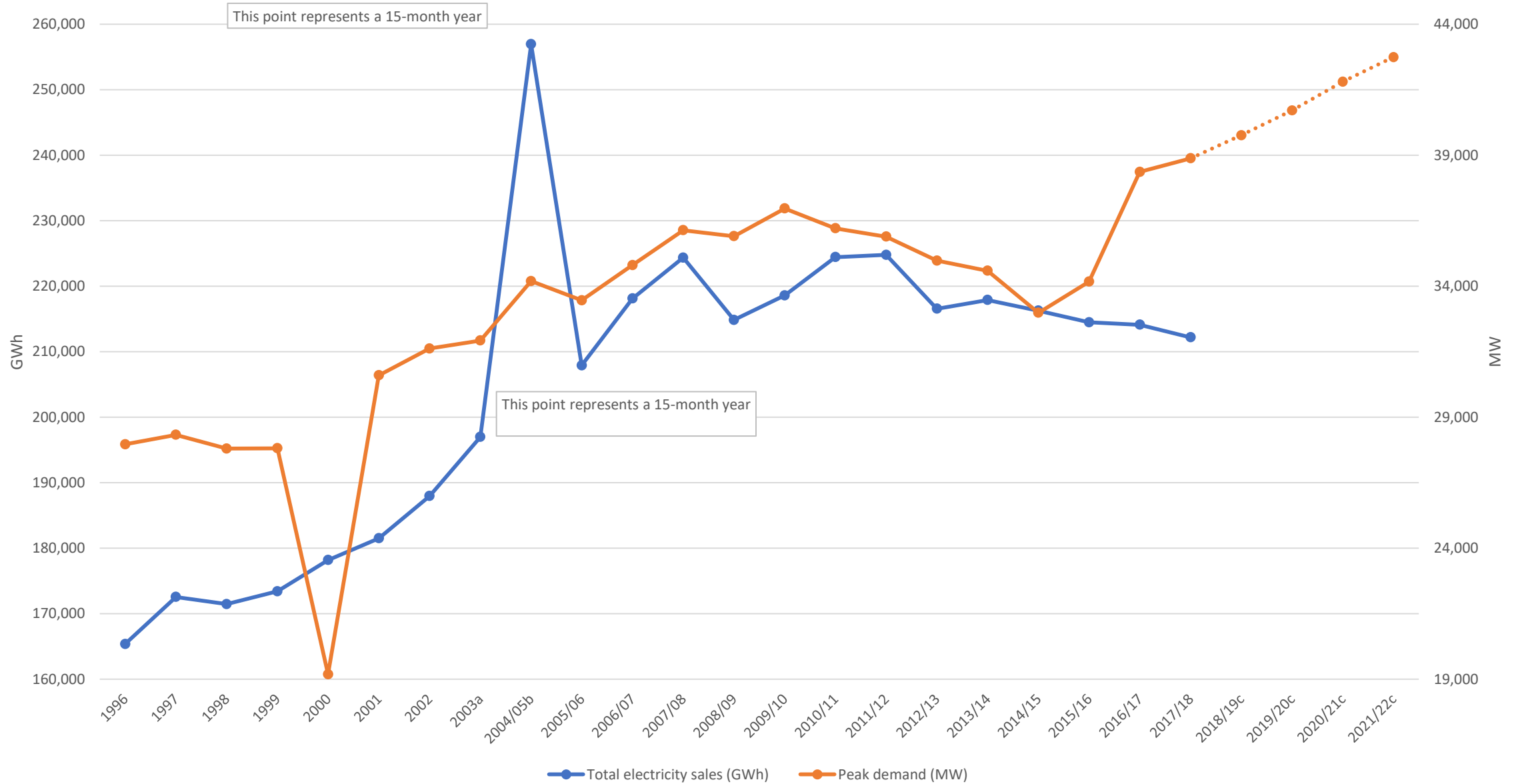
■ CRA 2016 polling ■ CRA 2017 polling ■ CRA 2018 polling ■ CRA poll 2019



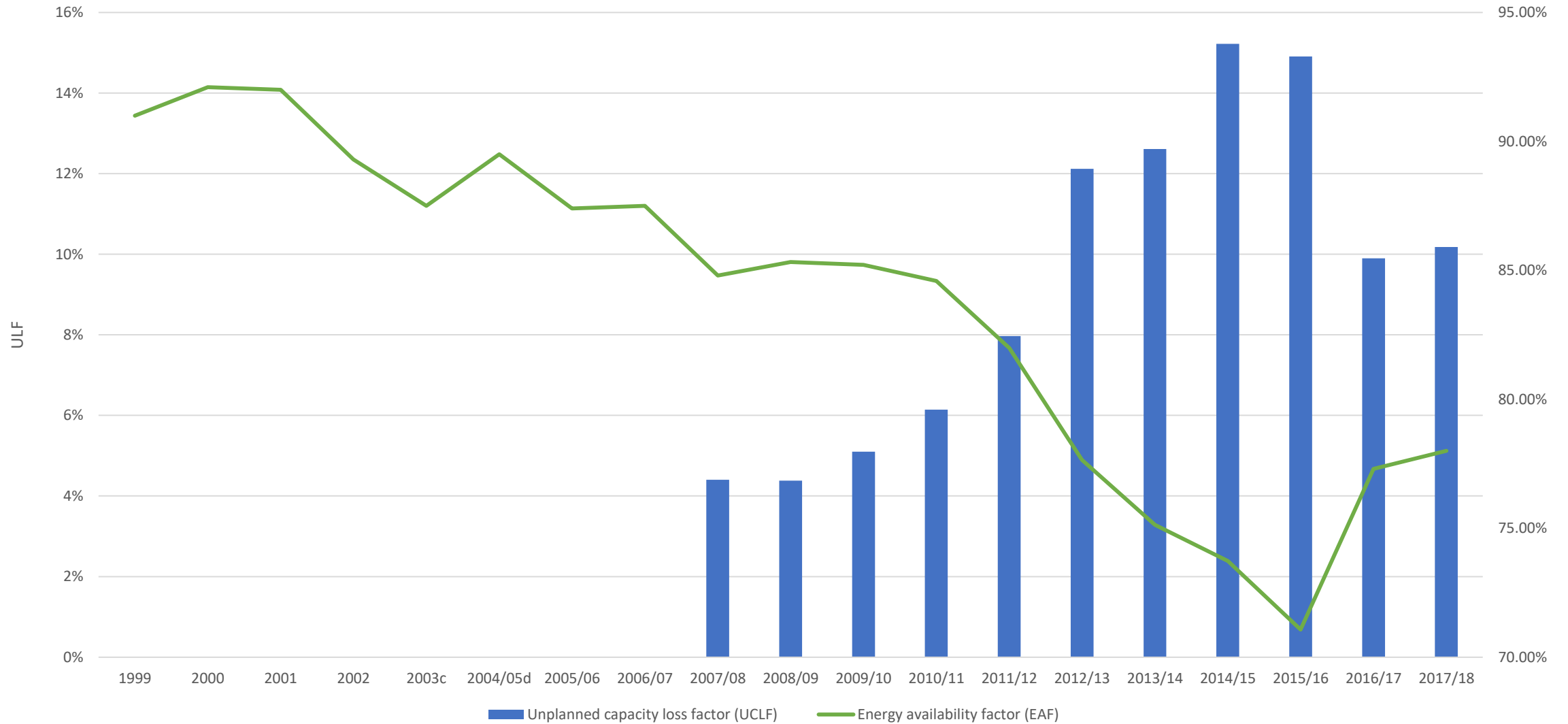
Annual change in electricity produced, electricity distributed and GDP growth, 1994-2018



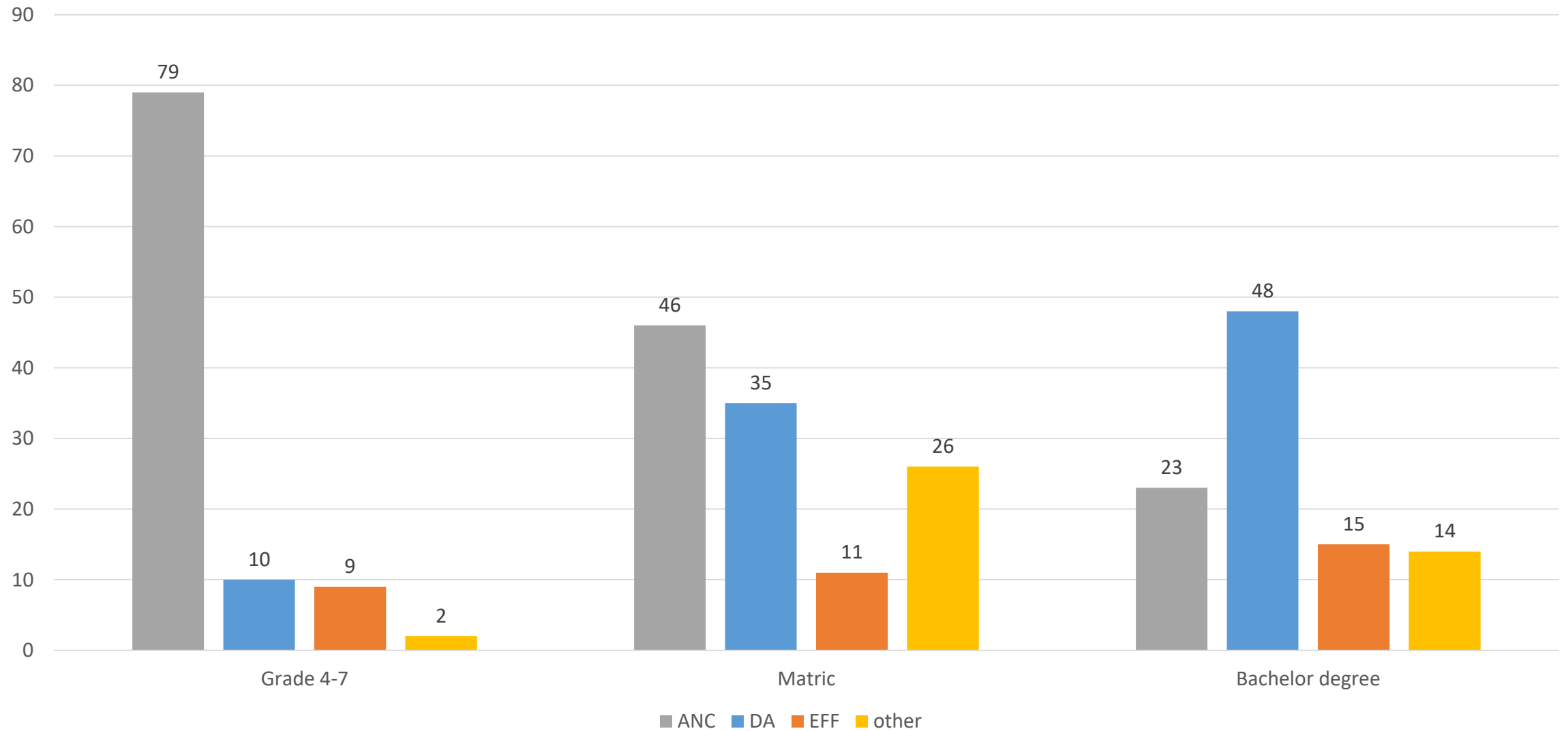
Total electricity sales and peak demand, 1996-2021/22



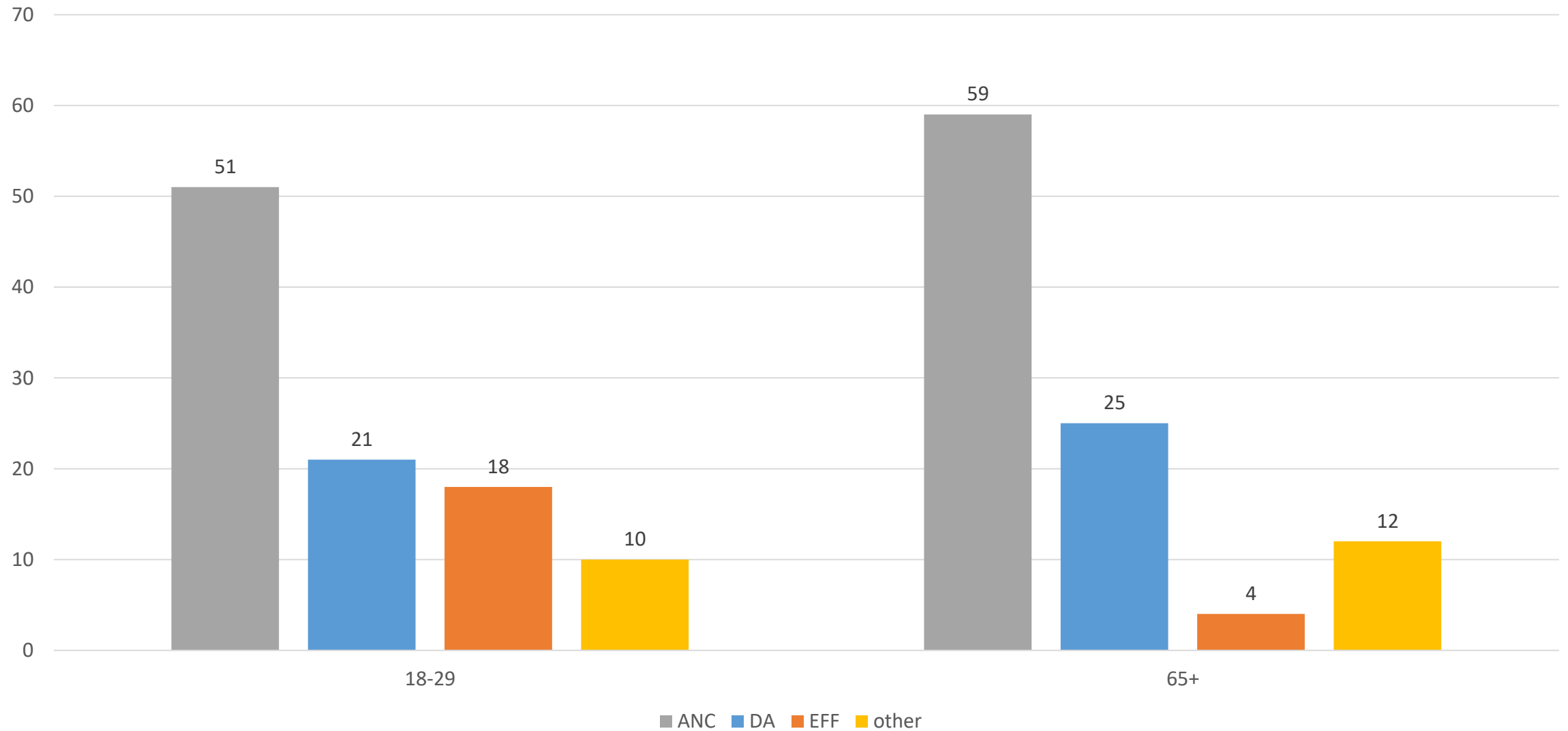
Energy Availability Factor and Unplanned Capacity Loss Factor, 1999-2017/18



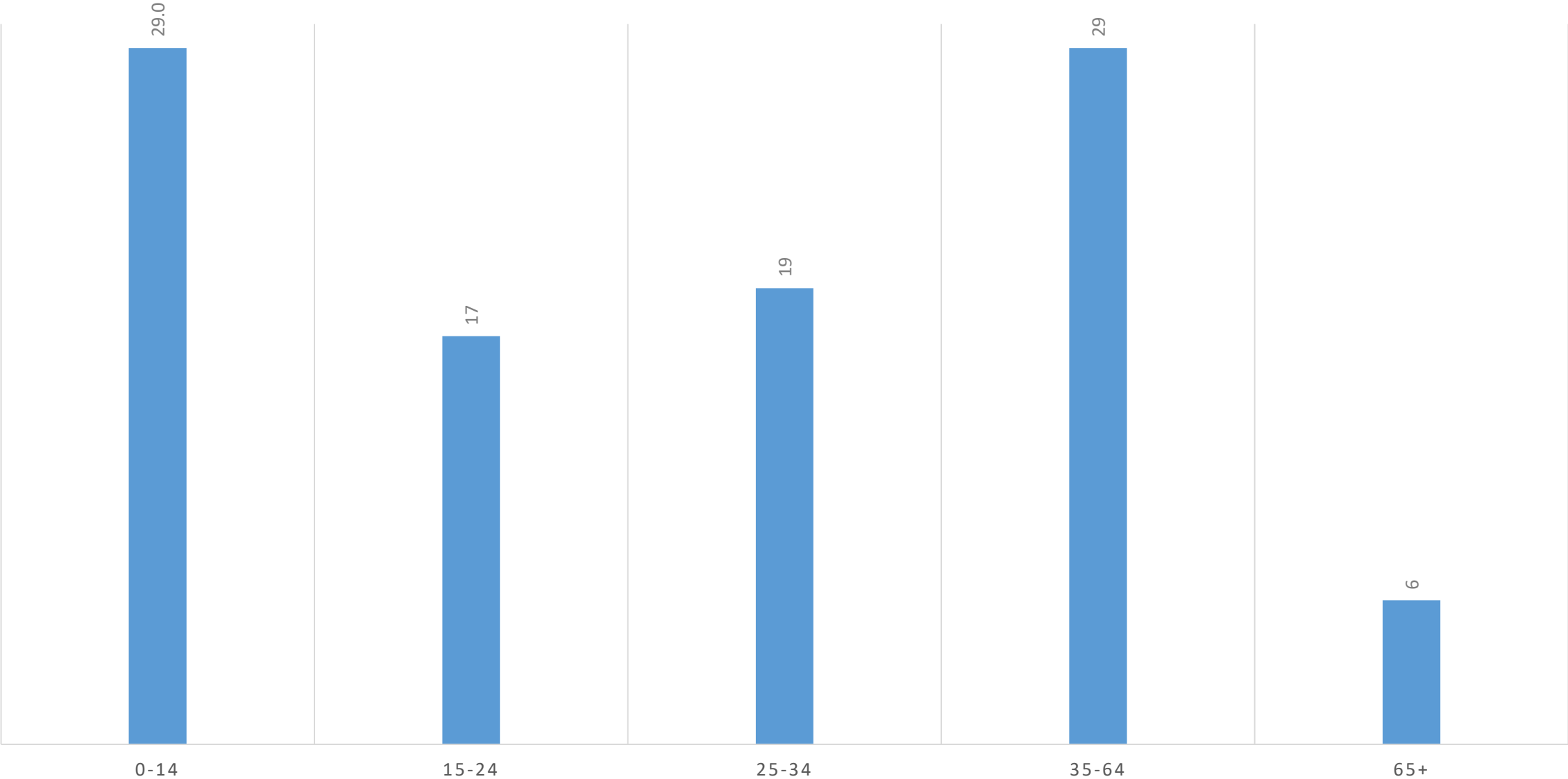
Party support by highest level of education



Party support by age

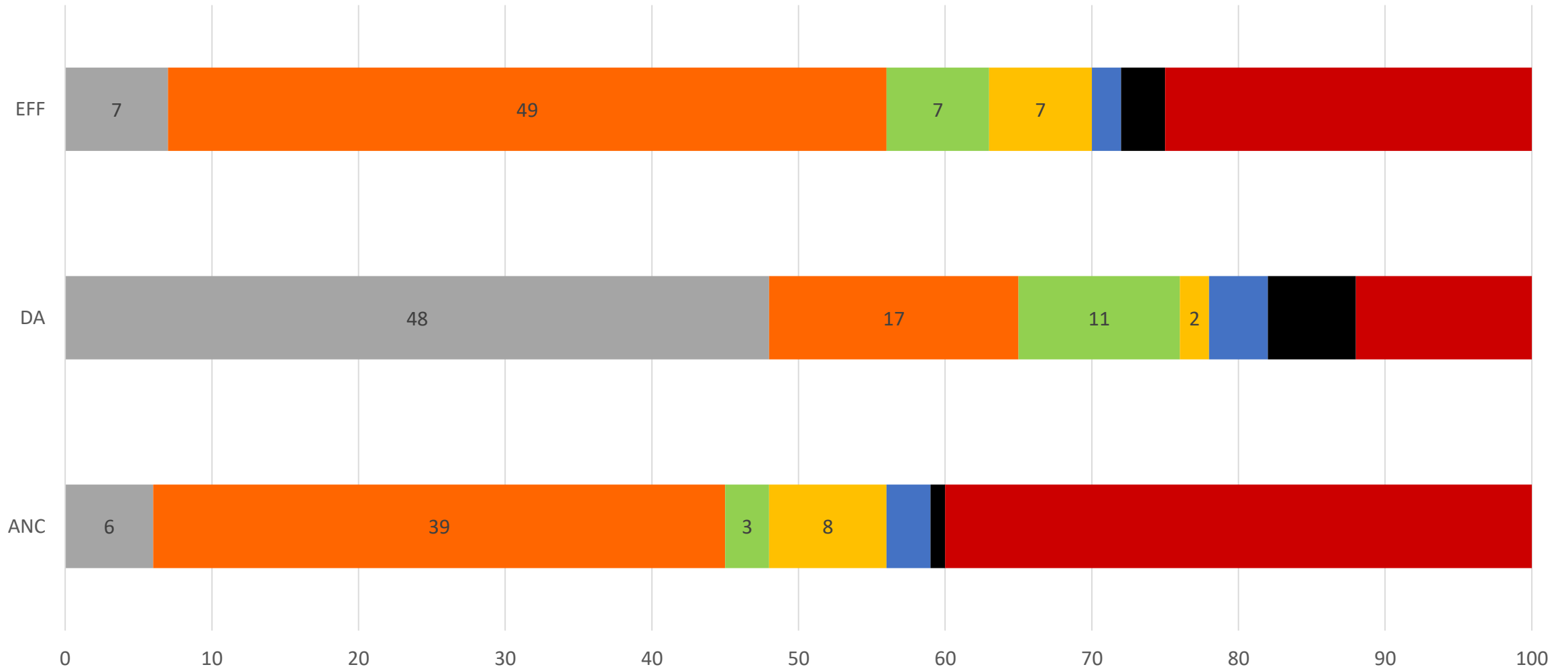


Age breakdown of the population

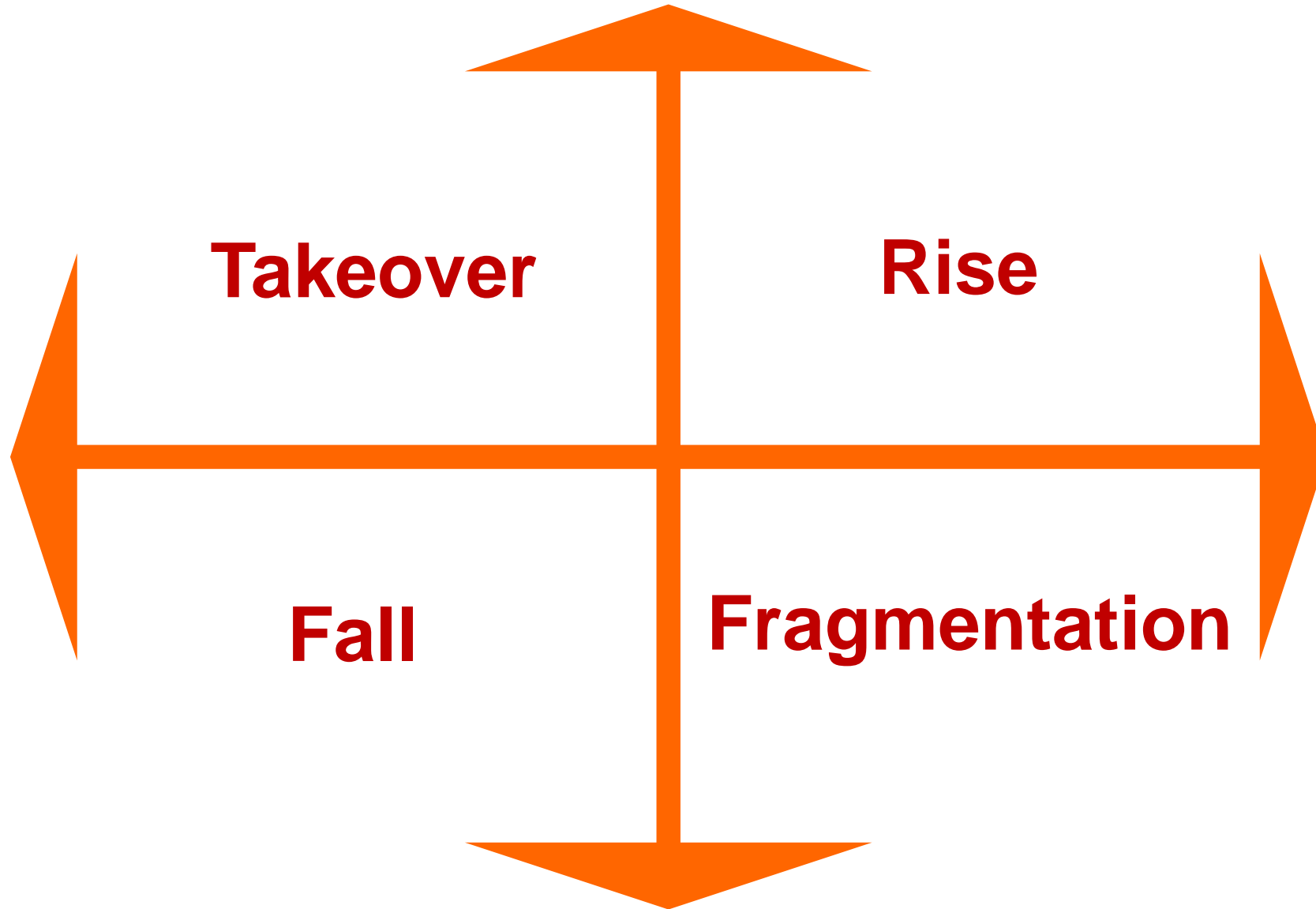


Party support bases by location

■ Suburb ■ Township ■ City ■ Shack ■ Farm ■ Plot ■ Rural village



Ideological modernisation



Takeover

Rise

Fall

Fragmentation

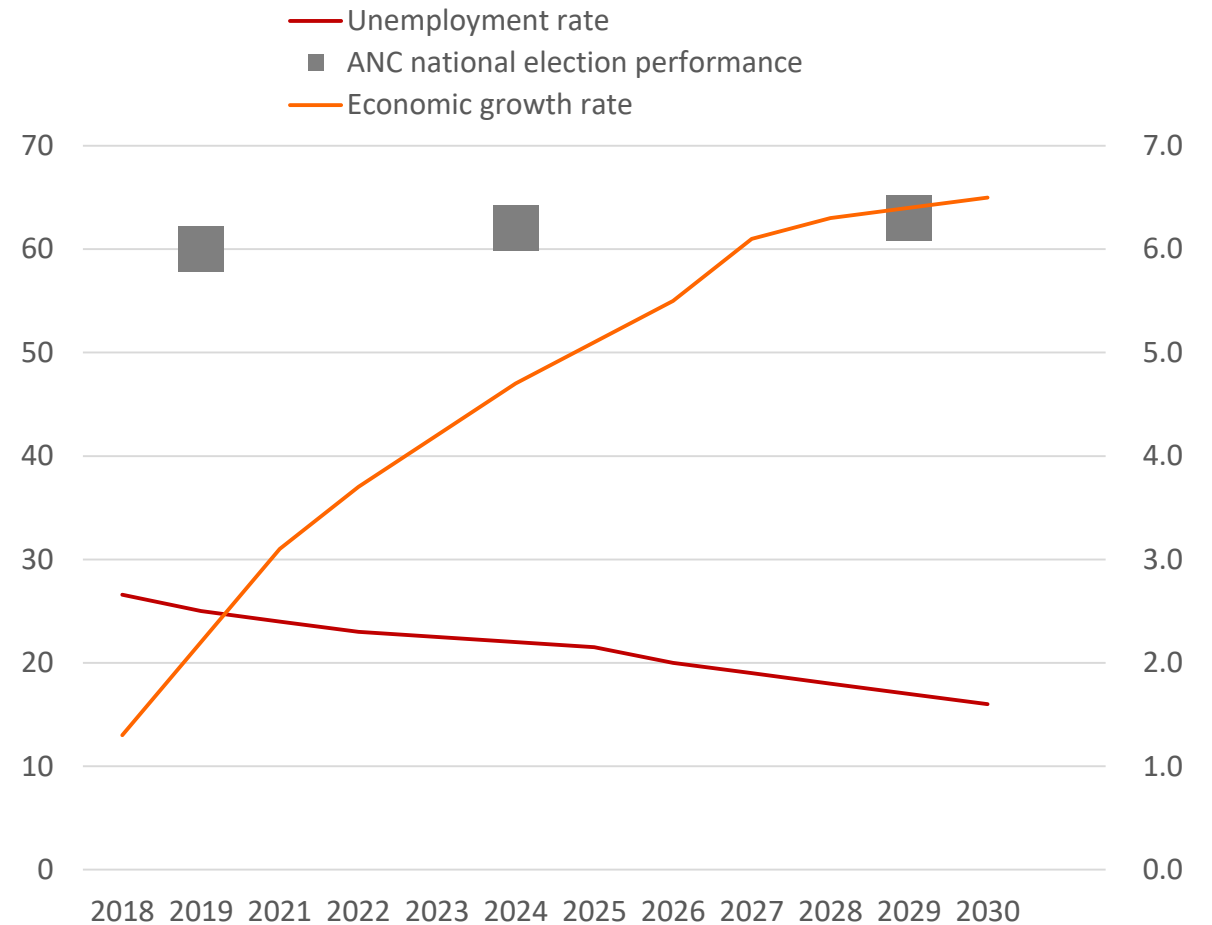
Strong
centrist
political
authority

Devolved
political
authority

Ideological stasis

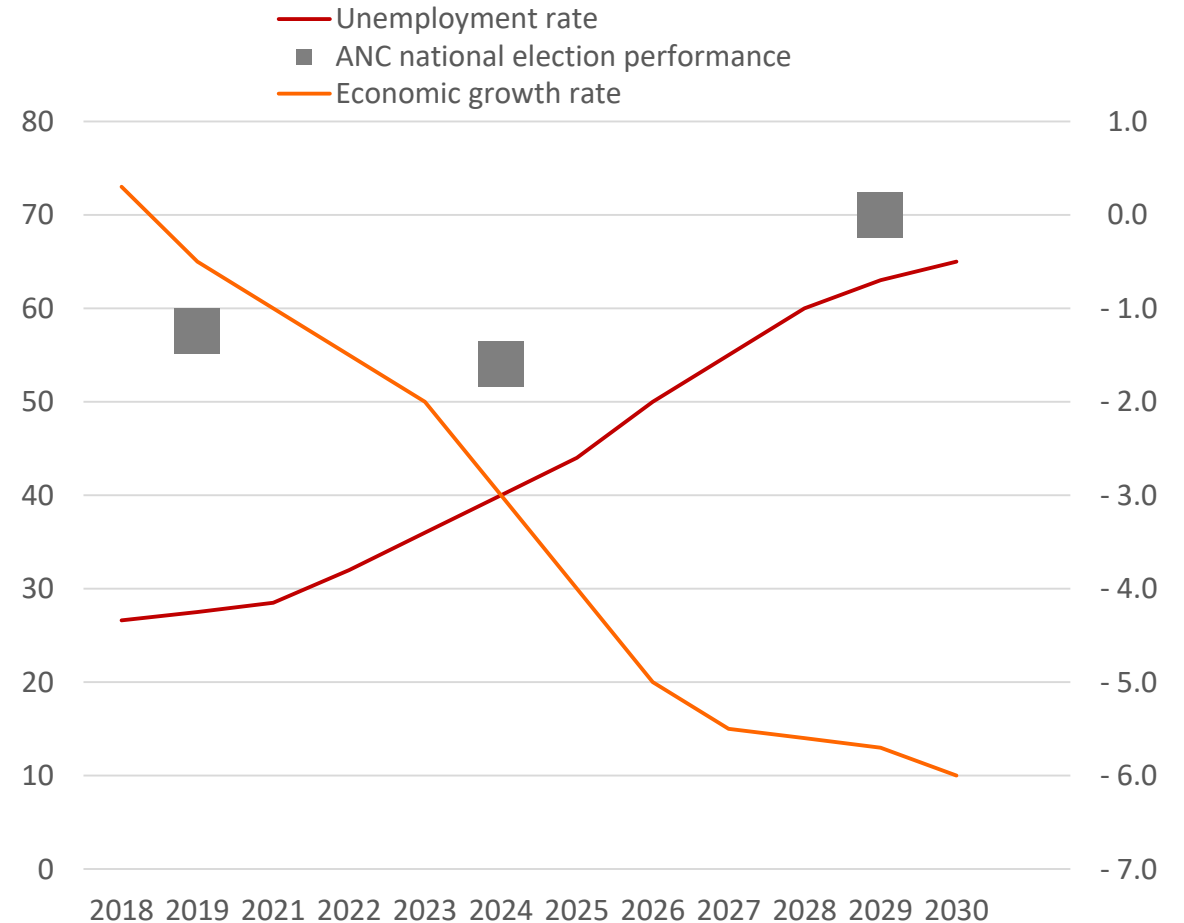
The Rise

On the back of a strong showing in the 2019 poll reformers stamp their authority on the ANC. Significant austerity measures are introduced. Failing state owned firms are sold. Private sector is central to economic recovery efforts. Empowerment policy is reworked. Property rights are secured. Labour market is deregulated and skilled immigration encouraged. Authority over schools and policing is increasingly devolved into communities. Corrupt politicians and related parties are tried and jailed in significant numbers. Racial nationalist incitement stops. Employment numbers rise sharply in unison with investment levels while living standards resume the upward trajectory last seen in the decade to 2007.



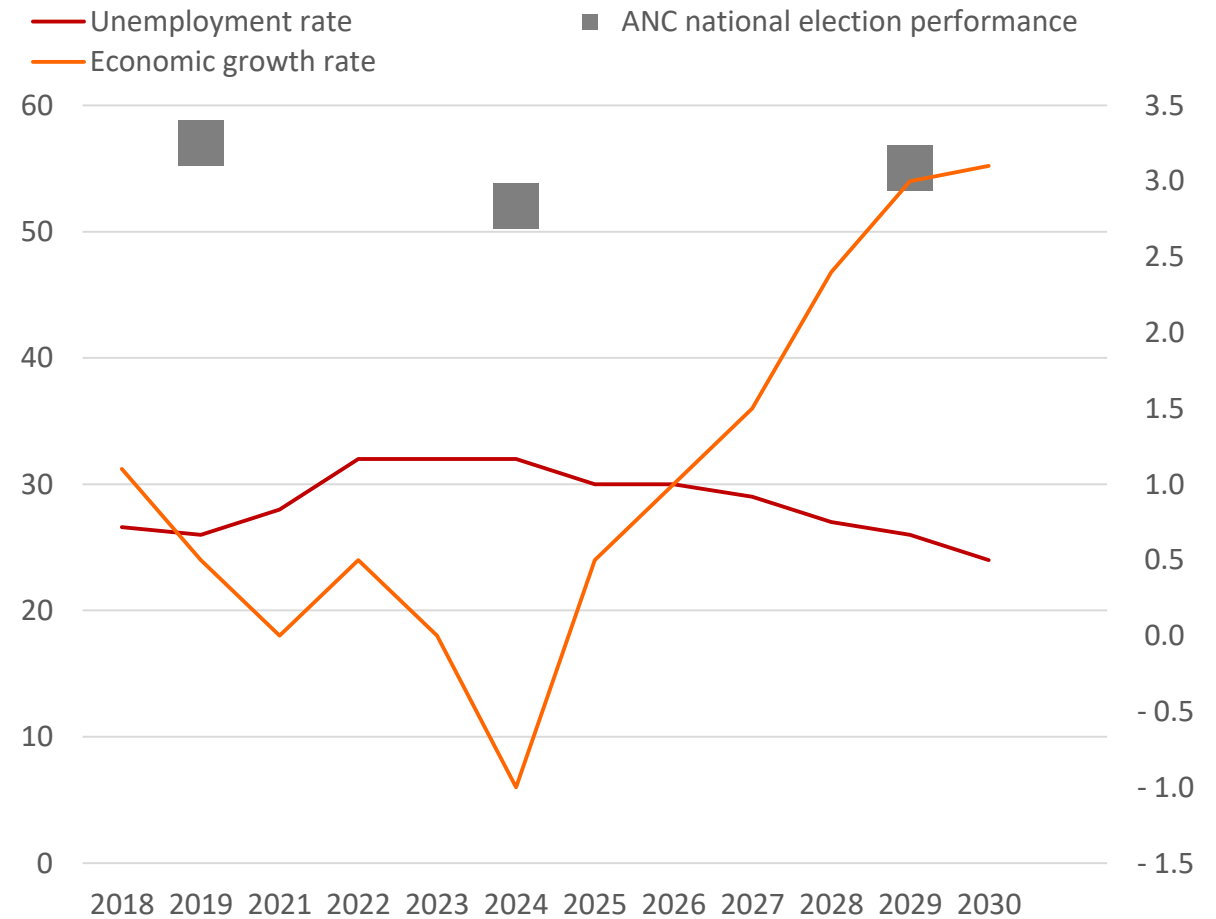
The Fall

Emboldened by a clear electoral majority dogmatic ideologues, racial nationalists, and state-capture suspects in the ANC eject reformers. A swift assault on property rights sets up a sharp erosion of civil liberties and the rule of law. Significant rights abuses follow. Capital and skills flight accelerates. The currency suffers a precipitous decline. Wealth extraction is prioritised over growth. ANC support dives into 2024 leading to reunification with EFF. The government mortgages the country's assets to an external creditor. South Africa slips into a decade deep recession amidst a steep decline in living standards joining the ranks of failed post-colonial African states.



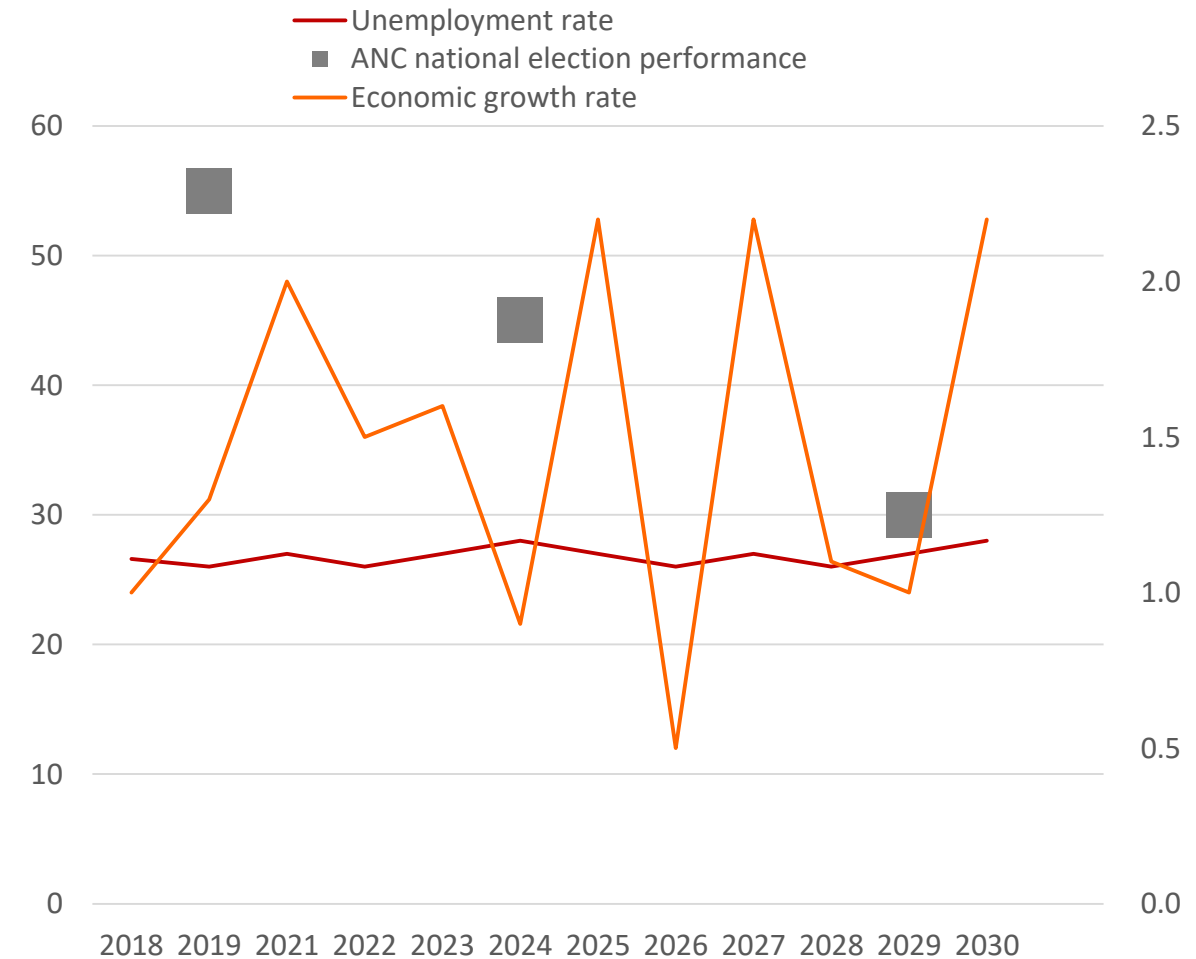
The Takeover

The ANC gets a reasonable majority but little by way of reform materialises. Token reforms and gimmicks are insufficient to raise growth as job creation stagnates and internal stability deteriorates. Midway through the era, perhaps prompted by a global pullback, debt and deficit levels push South Africa into a fiscal crisis amidst a sharp deterioration in living standards. The fiscal crisis attracts an external benefactor. The ANC in government, desperate in the face of future defeat/coalitions, surrenders policy sovereignty to the benefactor opening the way to changes in policy direction which allow growth and investment levels to show some upward inclination towards the end of the era.



The Fragmentation

Factionalism and modernist/traditionalist tensions paralyse the ANC leaving policy contradictions intact. Growth underperforms EM norms by 50%+. Job creation stagnates, the real value of welfare payments fall, fiscal obstacles undermine patronage networks – collectively delivering a 2024 coalition government. But the coalitions are fatally fraught and paralyse the government. Without any effective central authority, and amidst deteriorating social cohesion, South Africa fragments into four sets of parallel authorities; corrupt localised political fiefdoms, near-feudal rural fiefdoms, gang-controlled urban slums, and private middle class enclaves – that play a role in cross-subsidising the broader society.



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A strategic intelligence briefing



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