



associated with  
**UNISA** |   
university  
of south africa

OCCASSIONAL PAPER  
70



## **A New Chapter Beckons: South Africa at the Crossroads**

Author: Mabutho Shangase

June 2017

## ■ ABOUT IGD

The IGD is an independent foreign policy think tank dedicated to the analysis of and dialogue on the evolving international political and economic environment, and the role of Africa and South Africa. It advances a balanced, relevant and policy-oriented analysis, debate and documentation of South Africa's role in international relations and diplomacy.

The IGD strives for a prosperous and peaceful Africa in a progressive global order through cutting edge policy research and analysis, catalytic dialogue and stakeholder interface on global dynamics that have an impact on South Africa and Africa.

3rd Floor Robert Sobukwe Building  
263 Nana Sita Street  
Pretoria South Africa

PO Box 14349  
The Tramshed,  
0126  
Pretoria South Africa

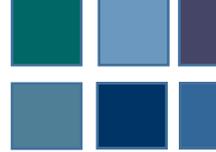
+27123376082  
+27862129442  
[info@igd.org.za](mailto:info@igd.org.za)  
[www.igd.org.za](http://www.igd.org.za)

All rights reserved. The material in this publication may not be reproduced, stored or transmitted without the prior permission of the copyright holder. Short extracts may be quoted, provided the source is acknowledged.

ISBN: 978-1-920216-55-9

### **About the author**

Mabutho Shangase is a Senior Research Fellow at the Institute for Global Dialogue (IGD) (Unisa) and a Lecturer in the Department of Political Sciences, University of Pretoria.



## ■ **Introduction**

Thursday 30 March 2017 should be construed as a critical juncture in the history of a democratic South Africa. Regardless of the size or effect of an event or cause, critical junctures typically generate persistent paths of political development<sup>1</sup>. As it is known by now, President Jacob Zuma made significant changes to the composition of the country's executive leadership with the axing of five cabinet ministers. Notable in the cabinet reshuffle was the dismissal of the minister of finance Pravin Gordhan and his deputy Mcebisi Jonas. The replacement of the minister of finance with home affairs minister Malusi Gigaba and the new deputy minister Sifiso Buthelezi triggered upheaval from many quarters of society.

The South African rand reacted negatively, losing a few percentages. A few days thereafter South Africa woke up downgraded to a junk status by the rating agency Standard and Poors (S&P) and later in the week Fitch followed suit. Standard and Poors has been quoted saying that with the recent developments in South Africa 'there is a risk of policy continuity, policy shifts are likely, and that political risks will remain elevated this year and all this could undermine fiscal and economic growth'<sup>2</sup>. On the other hand Fitch argued that the recent cabinet reshuffle is likely to result in a change in the direction of economic policy<sup>3</sup>.

For many these recent developments have plunged the country into an abyss. What is important to note however is that last week's events were not your quotidian business-as-usual political antics. Historians divide history into epochs, and in Hegelian terms each epoch has got its own internal logics, and accordingly it is argued that it is ideas that make history in the end and not the material productive forces<sup>4</sup>. Thus, each epoch privileges certain ideas over others and alongside these ideas certain prejudices and biases are constructed based on the substrate of power relations. It is also noteworthy that the periodization of an epoch into individual chapters assists in eliciting its' most taken-for-granted nuances that shape its' broader character.

This brief paper argues that the recent developments on the South African political landscape marked a rupture from one chapter within an epoch to a new one. To be more explicit, the recent manoeuvres by President Jacob Zuma facilitated the conclusion of the decade long Polokwane chapter. The previous chapter with its own internal logics, norms and values has been displaced. Nonetheless, the post-apartheid epoch continues. But following the decoupling precipitated by the decisions of President Zuma, a new chapter has been ushered in. In other words South Africa has turned a new leaf in her history and the rules of the game have changed, but this is not obvious to all South Africans.



---

## **A rupture from one chapter within an epoch to a new one**

Whilst the new chapter steadily begins to define itself, it is worth reflecting on the developments that brought the last chapter to the climax. The outcome of the local government elections of 3 August 2016 was arguably a forceful element in cementing the demise of the Polokwane temporal structure. Here the timing and sequencing of events becomes important. For example, according to your textbook politics there was nothing out-of-the-ordinary with the cabinet reshuffle, it occurred within the bounds of the constitution but the timing of it failed to see the larger picture of the chapter in our history.

Whereas the local government election in-and-of-itself could not necessarily have spurred the departure from the Polokwane chapter, when it is combined with other key events such as; Nkandlagate, Marikana massacre, State of Capture report, South Africa leaving the International Criminal Court (ICC), Waterkloofgate, concourt ruling on the president violating his oath of office, concourt ruling on the illegal South African Social Security Agency (SASSA) contract with Cash Paymaster Services (CPS), eSidimeni tragedy, etc., together these landmarks constitute a formidable structure. The country is now at a fulcrum moment which is likely to tilt towards unprecedented worst of times.

No amount of platitudes, posturing and populist rhetoric is going to save South Africa this time around. Chaos signals, not only at organisational level for the African National Congress (ANC) but also for society as a whole. The African majority in particular has arguably never experienced these levels of polarisation since the end of apartheid. Back to the outcome of the local government elections, there was certainly something significant about this occasion in post-apartheid history. A lot has been said about the ANC losing key metropolitan municipalities such as Johannesburg, Tshwane and Nelson Mandela Bay. Disillusionment with the ANC had been murmured for some time but this was reduced to ingrates within the black middle classes who were not appreciative of the fruits of democracy.

Moreover, dissenting views have, as a matter of course, been met with vicious dismissal forcing people into silence. Consequently disquiet with the ANC existed as a subordinate transcript meaning that for many it would not be expressed openly especially within certain black circles. The local government election allowed many people especially in urban areas to anonymously reject the ANC translating their disgruntlement into concrete action without fear of victimisation. However, besides the stock rhetoric of commitment to radical social and economic transformation it was still business as usual for the governing party. Yet that is not the complete story.



What could have forced President Zuma to make this foolhardy move of reshuffling cabinet amidst so much uncertainty and consternation? When one probes why Zuma never read the signs that the ground had shifted the picture becomes murkier. Starting with the very rating agencies that just downgraded the country to a sub-investment grade status, their own credibility has been called into question. Going back to the 2008 global economic meltdown, American economists Gerald Epstein and Robert Pollin revealed that the three major private credit rating agencies—Moody's, Standard and Poors, and Fitch, were significant contributors to the creation of the financial bubble and the subsequent financial crash<sup>5</sup>. The duo asserted that rating agencies had failed in their business of providing financial markets with objective and accurate appraisals as to the risks associated with purchasing any given financial instrument. And in 2012 it was reported that the Federal Court of Australia ruled S&P and ABN Amro had "deceived" and "misled" 12 local councils that bought triple-A rated constant proportion debt obligations (CPDOs) from an intermediary in 2006<sup>6</sup>.

Again in 2012 Reuters reported that signs were emerging that the agencies were in danger of becoming irrelevant<sup>7</sup>. It was further contended that there were signs that the Big Three credit rating agencies were losing their credibility in the United States and around the globe; investors had started making key investment decisions using their own analysis. The point being conveyed here is that for President Jacob Zuma and many other people the disciplinary power of rating agencies had been eroded due to their missteps. The loss of credibility on the part of rating agencies could have emboldened many of those who are critical of their role in influencing decisions around, inter alia, the investment status of economies. One of the foremost internal logics of the current epoch is thus the disciplinary power of the global north and white normativity. So, western based institutions such as the rating agencies spontaneously and unsurprisingly tap into this historically-situated repository of disciplinary power.

According to French philosopher Michel Foucault (1979) disciplinary power strives to make the body more obedient as it becomes more useful and conversely<sup>8</sup>. Simply put, disciplinary power is exercised by those more powerful than their subordinates in order to make their subordinates behave in ways in which the ones in power wish them to. Foucault asserted that this endeavour meticulously, exhaustively and continuously controls the activities of bodies creating a relationship of utility and docility whereby increases in utility correspond to increases in docility and vice versa. In Foucault's conception, power structures not only control people's actions directly, but indirectly whereby people become easier to control to the extent that they discipline themselves to act in line with the wishes of the person or organisation that controls them.

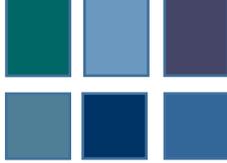


---

In the case of South Africa the disciplinary power of the market and many liberal political and civil society organisations such as the Democratic Alliance, Save South Africa, Corruption Watch, etc. has been severely compromised due to, inter alia, their silence in condemning corruption of white business and the rampant racism directed at black people. As many have argued, most of these ‘democracy watchdog’ organisations have not called for marches in cases such as the one implicating banks in the manipulation of the rand or ‘currency collusion’ in the past ten years. The same applies to the cases of racist utterances from Penny Sparrow calling black people monkeys to Helen Zille’s ‘colonialism was good’ rants. It is these kinds of internal logics of the current epoch that have been challenged with the recent developments.

### **Conclusion**

The new chapter is thus far characterised by disunity, anxiety and uncertainty within society. Economically the future looks bleak, the downgrading of the country is bound to hit households severely as prices of food, fuel and other commodities go up. If the Reserve Bank hikes the interest rates at the next sitting the fate of most households especially the poor will be sealed. Going into a recession before 2019 will surely damage the standing of the ANC. Socially, distrust based on racial and class lines becomes a new internal logic of the new chapter. It may be argued that South Africa has been left more fragmented than it was previously. While dissenting voices calling for the resignation of President Jacob Zuma have grown shrill, his support also remains steadfast not least amongst sections of the ANC such as the Youth League. This has evidently resulted in a stalemate as no party is willing to yield in this contest. This amount of polarisation of society could only be resolved through the polls come the general election in 2019. For now South Africans are fatigued from the perpetual events and self-inflicted crisis and are longing for a plateau of stability and normalcy.



---

## **Reference List**

1. Pierson, P. (2000), Not Just What, but *When*: Timing and Sequence in Political Processes, *Studies in American Political Development*, 14, pp. 72-92.
2. EWN (2017), *Junk Status: The good, the bad and the ugly*, <http://ewn.co.za/2017/04/03/why-standard-and-poors-downgraded-south-africa-credit-and-currency-ratings>
3. Reuters (2017), *Fitch Downgrades South Africa to BB+; Outlook Stable*, <http://af.reuters.com/article/currenciesNews/idAFFit995526>
4. Thomasberger, C. (2013), The Belief in Economic Determinism, Neoliberalism, and the Significance of Polanyi's Contribution in the Twenty-First Century, *International Journal of Political Economy*, Vol. 41, No.4. M.E. Sharp, Inc.
5. Epstein, G. and Pollin, R. (2011), Regulating Wall Street: Exploring the Political Economy of the Possible, in Arestis, P. (Ed.), *Microeconomics, Macroeconomics and Economic Policy, Essays in Honour of Malcolm Sawyer*, Palgrave Macmillan, United Kingdom.
6. Financial Times (2012), *S&P Mised Investors*, <https://www.ft.com/content/175c63be-26fb-11e2-9295-00144feabdc0>
7. Reuters (2012), *Column: We should Restore Trust in Credit Rating Agencies*, <http://www.reuters.com/article/us-column-credit-rating-agencies-idUSBRE87E15R20120815>
8. Hoffman, M. (2011), Disciplinary Power in Taylor, D.(Ed.), *Michel Foucault Key Concepts*, Acumen Publishing Ltd, Durham.

