

# EVENT REPORT

Konrad-Adenauer-Stiftung e.V.

## SOUTH AFRICA

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(JOHANNESBURG & DURBAN)  
ALINA REISS  
(CAPE TOWN)

March 2019

## Pre-Election-Talks

**On 8<sup>th</sup> May South Africans will be going to the polls to vote in the sixth democratic elections. Therefore, the Konrad Adenauer Foundation and the Southern African German Chamber of Commerce and Industry held a series of Pre-Election Talks in Johannesburg, Durban and Cape Town on the 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> of March 2019.**

The 2019 elections are taking place during a time where the South African economy is facing recession. However, the South African government aims to invest more than 100 billion US-Dollars. But the investors are losing trust - being aware of the discussions about the expropriation of land with no compensations and the shortage of skills. The main objective of the Pre-Elections Talks was to give the political parties the platform to present their economic policies and approaches considering these challenges and also for the parties to engage with the stakeholders like prospective voters and business people. Matthias Boddenberg, CEO of the German Chamber opened the discussion by welcoming everyone while he also talked about the perspectives of German companies in South Africa during his speech emphasizing their needs and goals.

He was followed by Henning Suhr, the Resident Representative of KAS who welcomed the audience on behalf of the foundation. He pointed out the importance of political parties for democracy. He further mentioned that "as a foreign organization we must not and do not want to intervene in domestic elections in any regard. We will remain neutral. With this event, we only would like to provide a platform of a debate which makes it possible for the electorate to make up their mind. The voting decision should be taken on the basis of policies, manifestos and ideologies which are pro-

moted by the political parties in a transparent way".

### Johannesburg (March 5<sup>th</sup>):

Thandeka Gqubule-Mbeki, SABC moderated the event. The panelists were: Mandisa Mashego (EFF), Kgosientsho Ramokgopa (ANC) and Ghaleb Cachalia (DA).

During her speech, Mashego (EFF) addressed how South Africa's resources should benefit the country's citizens. She said she wants to limit the exports of these. Furthermore, she said the foreign companies "have been exploiting the country for 300 years", with this she directly addressed the present representatives of some German and other foreign companies. Her opinion was vividly discussed. Ramokgopa (ANC) presented the concept of "Togetherness" in South Africa and emphasized its importance. "This country needs expertise" apart from discussions about skin color and origin, he said. Ramokgopa said he wants to focus on a discussion about individuals instead of racism.

### "What keeps you up at night?"

SABC-Journalist Thandeka Gqubule-Mbeki moderated the discussions and asked the panelists what topics keep them up at night. In his answer Ramokgopa focused on the demographical structures in South Africa. He said that 66 percent of the population is young adults and he wants to give them a perspective. Cachalia (DA) said he could not sleep because of the high unemployment rate in South Africa. Additionally, the poverty keeps Mashego up at night. She said that it is extremely difficult for the black community to get a job and even if they do their income is low. Moreover, she said that racism, high crime rate and discrimination against women were one of the main prob-



## Impressum

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lems in South Africa. Women are extraordinarily affected by crime and domestic violence. In sum, she said her main focus lies on a society that is free and not one that focusses on a free market economy.

Finally, Gqubule-Mbeki thanked the Konrad Adenauer Foundation. She said that cooperation like this one is of great importance. She visited Berlin in 2016 on the invitation of KAS Media Programme for Sub-Sahara Africa where she said she learned to value the multi-stakeholder-approach.

### Durban

Thandeka Gqubule-Mbeki, SABC also moderated the Durban event. The panelists were Dean McPherson, DA, Velenkosini Hlabisa, IFP and Sihle Zikalala, ANC.

McPherson, DA, talked about how the last ten years were an incredibly difficult time for South Africa: in terms of challenges to the economy, level of unemployment and a high crime rate. He said that parties need to account for their time in government and also in opposition. McPherson claimed that only the DA is offering one country for all: "South Africa should no longer be a country of in- and outsiders. Key aspects of the DA's manifesto in regard to the economy: should unbundle Eskom because it is a drain to the economy. No expropriation without compensation, he stated, that "South Africa cannot become another Venezuela". McPherson emphasized the importance of providing certainty and stability to investors, like companies from Germany. McPherson introduced aims like, decreasing the unemployment rate and getting to a state where there is at least one job in every home. He said it should be easier for small businesses to operate, and pointed out their importance to the economy.

Hlabisa, from the IFP, stated that unemployment in SA is too high, and is increasing every year. He emphasized the need for better education, especially for black people, who have been deprived of good education in the past. Regarding the Health Sector, he stated that people should be able to go to any hospital, not only private ones. He said, that South Africa is a country which is divided between the poor and the rich and

said that there is the need for a change! Regarding economic matters, he stated that the IFP believes in foreign investment. When registering new business, no high costs should be necessary before the business takes off. He raised awareness for a new relief system for indebted South Africans and said that it is necessary to create a conducive environment for International Companies, through less regulation and better incentives for (foreign) companies in South Africa.

Zikalala, ANC, referred to the countries' past in mining and agriculture, and said, that new demands and the need to diversify are challenging the economy today. Also he mentioned, that mining and agriculture are still present today and of importance, but facing new challenges. Furthermore, he highlighted the importance of SMMEs (Small, Medium and Micro Enterprises) for the South African economy and in particular he emphasized the importance of supporting the township economy so that they can get access to start-up capital. Summing up, Zikalala stated that he wants to take South Africa into the main street of economy.

### Cape Town

Carol Paton, Business Day moderated the Cape Town event. The panelists were Ebrahim Rasool, ANC, Nosipho Makamba-Botya, EFF and Jo-Ann Downs, ACDP.

Rasool, ANC called the party's economic policy the reasonable middle ground between populism and the hold of privilege. Only with a balance of those two the economy would be sustainable in the future. This approach includes growth in as much as it also includes distribution. He admitted that the last decade was devastating with unpredictable policies but that South Africa is now in its second transition with a hopeful lookout if president Ramaphosa will receive a strong mandate to recapitalize and restructure state institutions. Thereby the focus will be on inclusivity since exclusivity will lead to unintended consequences. Referring to the enhanced competition from both sides- right and left Rasool pointed out that especially the left side has a displacement effect creating energy but it does not

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change the dial. In order to pursue change the renewed ANC is the only option to vote for. Transparency and the judiciary process are attempts to convince voters of the renewal. When it comes to nationalization the ANC supports a balance between state ownership and private ownership. Questions of social cohesion should be answered by generosity by the rich and patience by the poor. He further stated that populism used by the EFF should act as an alarm bell to make attempts to go back to a non-racial community. South Africa would not be sustainable if there is a division of color which does not imply that land reform should not be implemented but what matters is how it is done. Moreover, the ANC attempts to establish the country as a producer for Africa. Since Ramaphosa is president the negotiations for an African free trade agreement are back on track.

Makamba-Botya, EFF made three points regarding the party's economic policy. First, the EFF in power would expropriate land without compensation and pursue state ownership of land. Second, neglected areas should be promoted through tax incentives and tax free zones to attract industrial development. Third, the EFF has a strong stand against privatization – everything should belong to the state.

This nationalization also includes mines and banks. In the EFF's view these three steps will make sure that South Africans will benefit through the economy and that this takes place more equally. In their opinion, foreign investment has not brought change for the poor majority of South Africa's population. If there are monitoring measures in place the EFF's view is that nationalization would work. When it comes to race Makamba-Botya stated that what counts for the EFF is not skin color but that they are the voice of the poor and this is mostly the black population in South Africa. Additionally, Makamba-Botya referred to China and Russia as successful economic models and stated that the EFF would prefer a one-party system for the country. Generally, the EFF would like to increase taxes and tackle tax avoidance to gain the necessary financial means.

Downs, ACDP made clear that in the party's view the only way to create jobs and thereby lifting people out of poverty is by being open for business. The current barriers for opening up businesses and especially for foreigners need to be removed. Foreign investment is needed and in order to attract it the bureaucratic obstacles like immigration laws would be removed through the ACDP. In the same way Downs challenged the current labor laws as a threat for jobs. Moreover, the ACDP is in favor of setting incentives for businesses to train people. With regards to tax collection the ACDP supports lowering business taxes. In their view this would result in more businesses coming to South Africa with a generally increased chance for success which would lead to an enhanced job creation. When it comes to social cohesion the ACDP takes the stand that race should not play a part in the way business is done but it should pay attention by uplifting people out of poverty, especially in the rural areas and with education as a key factor. In Downs' view the lived experience in South Africa is not a racial experience but one of social divide. Racism is thereby used for popularity reasons. Downs in representation of her party additionally does not see the future of jobs in manufacturing but in becoming a knowledge economy with a focus on robotics. Therefore the groundwork needs to be laid now.