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STAGE 6 LOAD-SHEDDING WAS THE LOW POINT OF CYRIL'S YEAR

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2019 is racing to a close and one can - without fear of contradiction - say that Eskom's Stage 6 load-shedding was the low point of President Ramaphosa's year. It was also clear when he delivered his statement after meeting with the Eskom Board and management. And speaking of poor timing: on Monday, December 9, he wrote in his weekly newsletter to the nation about the miracle of Medupi and how impressive and imposing it is... In addition, we all remember his assurance at the beginning of the year that load-shedding at Eskom was something of the past; a promise repeated only a few months ago by Deputy President David Mabuza. And of course, many also remember that when President Ramaphosa was still Deputy President, he was in charge of the task team responsible for repairing State-owned entities (SOEs).

In addition, few South Africans believe his explanation that the latest round of load-shedding and Stage 6 were partly due to sabotage. In fact, the National Union of Mineworkers (NUM) have publicly repudiated his claim - though they softened their response by saying misinformation was fed to him. It is of little concern to the majority of South Africans whether the problem lies with wet coal, a chronic lack of maintenance, poor management or sabotage - they are fed up with darkness! The country's industries are losing millions of rands, the treasury loses taxes and businesspeople who have made solemn promises of new investment at the recent Investment Conferences are wondering how to get out of their commitments. They are probably thinking that one cannot invest in a country like South Africa if you have an ounce of sense and put your shareholders' interests first.

As Shakespeare's King Henry IV says: "Uneasy lies the head that wears the crown".

But if you look at the entire year - not only at last week and Eskom - are there any highlights for our President? Or even more lows?

To start, partly tongue-in-cheek: he at least returned early (very wisely) from his visit to Egypt, hastily met with Eskom and issued a statement - even though he was visibly and simultaneously embarrassed and irritated. His return indicated a measure of urgency.

On a more serious note: President Ramaphosa has consolidated and significantly strengthened his power base in 2019, and especially since the May general election. This applies to both the ANC's parliamentary caucus and the National Executive Committee (NEC). One can see this in several examples. His Zupta nemesis in the ANC's headquarters, Ace Magashule, is much quieter and less outspoken these days than a few months ago. He clearly knows his place (now). The optimists among us hope that it is also Ace's impending prosecutions influencing his conduct. The same silence has descended on Nkandla, where former President Zuma has hardly uttered a word since his feeble appearance before the Zondo Commission. So deafening is this silence that rumours about his health (or lack thereof) could not be confirmed.



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More significant are the different reactions within the ANC over two arrests from within their ranks. Earlier this year, hundreds of ANC cadres were mobilised against the arrest of the Mayor of eThekweni, Zandile Gumede, on charges of fraud. “Leave her alone, she is innocent until proven guilty”, was their refrain. However, when former Deputy Minister in the Zuma Cabinet, Bongani Bongo, was arrested later in the year on charges of fraud, the ANC structures were much quieter, and even went so far as to say that the law should run its course. It may sound like a minor shift, but it has important implications - and President Ramaphosa's growing influence can be seen in that.

Another positive development, which is sometimes understated, is the policy document about the economy that Minister of Finance, Tito Mboweni, published via the Treasury, and which was largely accepted by the ANC. Only the unions and a die-hard communist or two protested. That document will in future help to determine economic and financial policy.

Perhaps the most important positive highlights of President Ramaphosa's year are the appointments he made. Although National Director of Public Prosecutions (NDPP), Shamila Batohi, was technically appointed in December 2018, she took up her post in 2019. Her second-in-command, Hermione Cronje, was appointed this year. Batohi recently revealed that the first high-profile prosecutions can be expected in February 2020, after she had complained about the lack of capacity in the National Prosecuting Authority (NPA). Her use of private legal practitioners has attracted criticism, but was born out of necessity and seems to be bearing fruit. Although many feel that prosecutions should have happened sooner, it is of the utmost importance that her first prosecution has a waterproof dossier and succeeds with flying colours.

It's too early to say whether Eskom's new CEO, Andre de Ruyter, will succeed in his superhuman task, but at least it can be appreciated that the government (for a change) has acknowledged that he (a white Afrikaans male) is the “best person” for the job. And that they stood firm when they were attacked from within their own and union ranks. The fact that President Ramaphosa made a plea for racial transformation at senior levels of the private sector in his subsequent weekly newsletter is proof that he had to quell internal opposition.

The Ramaphosa government should also get credit for the promises of new investments that have been garnered over the past two years. Although they are still largely promises - that can, as mentioned above, easily be lost thanks to the Eskom debacle - it is a step in the right direction in order to create essential growth for the economy.

A final feather in the Ramaphosa cap is the decision to place SAA in “voluntary business rescue”. Of course, Solidarity, which initially brought the application, should receive full recognition for this. This in fact left the government with no other choice. And it could be an interesting precedent for other SOEs, of which few are “going concerns” or financially sound.

So there were quite a few highlights during President Ramaphosa's year. There were also many lows, among which Eskom Stage 6 was the worst, and retrospectively cast a deep shadow over all the good work. The credibility of the President, the government and the ANC



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is - and will continue to be - severely hampered by this - and with good reason. Ramaphosa is often criticised for not acting quickly or decisively enough, and for playing the “long game”. His strategy around State capture and the wait for the reports of various commissions is an example of this. This strategy does not and should not apply to the Eskom issue. It is already widely known what has caused the problems at Eskom. In addition to the urgent solutions and crisis management that are now being put in place, he and Minister for Public Enterprises, Pravin Gordhan, must apply pressure, as well as give Andre de Ruyter the opportunity to do the work he was appointed for. And hopefully Minister Gordhan in particular will not intervene (as happened with the previous CEO Phakamani Hadebe) if something drastic is done to Eskom's number of employees and their salary levels.

If one takes stock of SAA's business rescue, one can conclude that there may be a new Ramaphosa strategy: wait until something goes badly wrong and then implement the unpopular and previously unacceptable market-related strategy. If applied to Eskom, the time is now ripe for Eskom's division and (at least its partial) privatisation. This is the only action that can undo the shadow and damage of Stage 6.

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