

South African Parties Consensus On Government Formation Amid Political Turmoil

In the wake of recent political upheaval and due to the failure of the African National Congress (ANC) ability to secure a majority in the recent election in South Africa, a coalition government, so-called the Government of National Unity (GNU), has agreed to reelect Cyril Ramaphosa as its president.

The ANC, which received 40 per cent of the vote (159 seats), the largest share of any party, invited the 17 other political parties to join a GNU. While the DP party with 87 seats has supported the coalition and helped form a coalition out of a total of 400 seats in the national assembly, the MKP (58 seats) and the EFF (39 seats), both of which favour land expropriation and the nationalization of mines and banks, have declined to participate in the coalition government.

The new coalition era in South Africa is expected to provide a vital opportunity for institutional strengthening with some policy changes, particularly within the parliamentary system, and a signed accord prioritizing the economy among its 11 focus areas for the incoming administration.

The African voter's expression of frustration due to years of corrupt politicians plundering the country's resources and failing to address people's needs like providing jobs, combating climate change, and providing safe housing and growing concerns over political leaders' inability to vanquish the effects of apartheid and to create true economic equality between blacks and White South Africans continue to persist.

Between April and May 2024, a total of 348 protests and civil unrest were observed with rioters, protesters and armed groups such as RISE Mzansi and labour groups expressing their capacity of frequent violent demonstrations with looting and rioting in South Africa.

Given the past fragile socio-political and economic landscape of South Africa amidst this coalition government formation, we at WoRisGo continue to monitor the region closely and identify risks associated with businesses operating in the region.