Will SA rebound – or is worse to come?

By Alec Hogg*

A nyone reflecting on my homeland’s fresh rock bottom would do well to recall our trait of ascribing much higher weighting to bad news than good. Esteemed researchers, Nobel laureate Daniel Kahneman among them, quantify it at nine-to-one. But Kahneman also preaches WYSIATI – What You See Is All There Is. The optics were very bad indeed for South Africa during the week running up to July 18, birthday of its deity Nelson Mandela.

The country’s parlous state was captured during its risk-averse president’s televised address two nights before the five day orgy of unrestrained plunder peaked. Cyril Ramaphosa, attempted reformer of the ruling African National Congress (ANC), was bereft of ideas. On eNCA, a live box alongside the presidential lecture showed young men looting a branch of the national blood donor service at a burning shopping mall. That pretty much summed up what was going down.

Citizens in were abandoned by the state’s security services in their hour of greatest need. Not surprisingly, they now question whether this fresh rock bottom is made of granite or sandstone. Will we finally rebound – or is it a portent of even worse to come? Right now it’s a tossup.

Futurist Clem Sunter, a national treasure whose 1980s “High Road, Low Road” scenarios nudged the Apartheid establishment towards peaceful settlement, reckons full blown anarchy is now a 50:50 call. Prior to the riots it put at 30%.

On the upside, leaders of organisations around which long-besieged Afrikaners have massed, are swinging from despair to cautious optimism. Among them long-time pessimist Frans Cronjé, outgoing CEO of the 92-year-old Institute of Race Relations, is suddenly upbeat. Because he finally sees hope – believing the chaos could catalyse SA into the foreground of a global trend where dysfunctional national states will split into smaller units. Other Afrikaner leaders talk of the unrest as a spark to create a nation of “communities of communities”.

It has also accelerated already significant momentum for secession by the well governed Western Cape, the only province of nine not ruled by Ramaphosa’s ANC. What is the rational mind to make of all this?

Applying Kahneman’s WYSIATI, it is obvious whatever his other failings, from the many interviews on BizNews during the chaos, Ramaphosa is correct is ascribing the July 2021 civil unrest to ethnicity. Evidence suggests it was an “ibheshu” (calf skin apron covering the butt) than besuited, while in reality Zuma’s “king’s Ingonyama Trust’s 28 000 sq kms - 30% of the province - one fifth the size of England. The king retains many privileges of feudal rulers, including a generous state stipend. Also, he promoted institutionalised polygamy, an example followed by tribal subjects. Among them Jacob Zuma, he of four wives and 26 children, whom the ANC appointed the country’s president in 2009. In Zuma, the ANC chose a poor director, especially for a modern economy. More comfortable in an “ibheshu” (calf skin apron covering the butt) than besuited, while in office Zuma famously told a live TV audience that all other continents would fit into Africa, adding that the continent’s biggest drawback was lacking a major river. He also publicly mused how, given dictatorial power, he’d quickly “fix” SA.

With hindsight, it is now clear that Zuma’s ascension unleashed a plunder of national resources. This occurred through industrial scale theft and the dispensing of largesse to favoured groups like unionised public servants, university students and 18m recipients of social grants (in a population of 58m). Overlaid onto a stagnant economy, SA’s pre-Zuma budget surplus became a massive deficit, funded by a trebling in the debt to GDP ratio from 26% to the current 80%.

In December 2017, most of the nation celebrated when Zuma’s appointed successor, former wife Nkosazana was narrowly beaten to end corruption. Under his protection, the Zondo Commission into State Capture has ventured well beyond what was intended by its initiator, the same Jacob Zuma. The anti-corruption attacks red letter day was on July 8th when Zuma was escorted to jail. Unrest which left more than 300 dead and 18m recipients of social grants (in a population of 58m).

The plan worked well in most parts of KZN, especially the capital Pietermaritzburg, the commercial centre Durban, and in major rural towns Newcastle and Ladysmith. Large shopping centres were robbed, trashed and burnt. It was only through the intervention of local communities that anything was left standing.

Similar looting orgies were instigated in the commercial centres of towns near the provincial capital. In places like Mooi River, Richmond and Greytown, thousands of small businesses were wiped out, many of which had served local communities for decades.

In Gauteng, attacks on shopping centres were executed in Zulu-dominated areas often close to single sex hostels which are home to migrant workers from rural KZN. For five days and nights, for the most part the state’s protective services were either completely absent or mere spectators. They did not apply the most basic mob-dispersing weapons like water cannons or tear gas. This supports the view of some observers, particularly in KZN, that the police was complicit.

In the middle of the chaos, McCormick’s company even issued a desperate press release begging law enforcement agencies to help its mall in Thembisa after a “significant attack from high calibre, live ammunition throughout last night.”

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Will SA rebound – or is worse to come?

Like McCormick’s shopping centres, the middle class, especially in KZN, were abandoned to their own devices. On the reasonable assumption that once looters finished off the malls they would head for suburbia, local communities coalesced into self-defence units to protect their homes. Barricades were erected and manned through the night by armed citizens. Many reported “scouts” looking for weak points. In numerous cases, such newly created “Dad’s Armies” were forced to face down looting mobs. Appallingly, in a number of cases in KZN the local (Zulu) SA Police instructed defending citizens to stand down. They refused. In Ballito, community members informed the police that they were outnumbered and outgunned, so had better leave.

McCormick tells of a police station close to one of the looted shopping malls whose members all left soon after the looting started, claiming to be on strike over salary grievances. Those on the ground say the official death toll is heavily understated. For instance, not included in the official data are bodies pulled out of Pietermaritzburg’s local river, apparently drowned after two days of looted-liquor induced inebriation.

Among the welcome surprises is the way a racially diverse middle class, especially in KZN, decided to fight rather than run. Another was the telling intervention by taxi associations, a powerful grouping which regularly defies government edicts and in this case, acted in self-interest to protect its business.

Long maligned as a mafia that enforces near monopolies with a shoot-first-ask-later approach, there are numerous reports of taxi owners intervening against the looters to devastating effect. McCormick, whose on-the-ground presence makes him an excellent source, reports that the two day battle for the Alex Mall in Gauteng – where a fire-fight lasted hours - was only won after taxi drivers arrived later in the night and started shooting back with live ammunition (the company’s law-abiding security guards were restricted to rubber bullets and birdshot). The taxi drivers were inside the fortress at the Thembisa Mall before sundown. In KZN, Pietermaritzburg’s biggest shopping centre. The Liberty Mall, was saved after hundreds of heavily armed taxi drivers appeared very publicly on the scene, clearly spoiling for a fight.

The situation in KZN only began turning after SA Police members from other parts of the country were flown in. It finally fizzled out after the Army was eventually dispatched to the hot spot a full five days after the rioting began. The most credible reason for the delay was reluctance of a Zuma-aligned defence minister to intervene. Where to from here?

The good news is that South Africa’s centre, especially in KZN, held up well despite incredible pressure. The young democracy must surely benefit from a previously apathetic citizenry suddenly shocked into action after more than a decade of drift. If the Afrikaners are right – and they claim state oppression put them a decade ahead of the curve – pressure will build for greater self-governance by communities and more freedom from the socialist controlled centre. Many previously cowed citizens have suddenly found a voice. The once inconceivable end of ANC rule in 2024’s national election now is widely predicted.

On the flip side, there is a very real danger that the ANC government will double down on ruinous economic policies, destructive social engineering and targeting of minorities. Despite GDP per capita having fallen each year on the past decade and unemployment ballooning to over 40%, the archaic Development State and National Democratic Revolution ideology is very much official ANC policy. In the absence of a radical realignment or a massive political reverse, the fixed investment strike and export of private capital is likely to accelerate. The consequences would increase Sunter’s anarchy prospect to beyond even-money.

Granite or sandstone? We’ll know soon enough.

*Alec Hogg is the founder and editor of Biznews.com.

Read also:
- Alec Hogg: Getting clarity about SA chaos – and true origins
Jacob Zuma’s arrest on July 7 resulted in a series of violent protests in the KwaZulu-Natal province. The protests then spread to Gauteng, with reports of looting reported in both provinces. In a televised speech, President Cyril Ramaphosa spoke out against the violence, warning those involved that they will be arrested and prosecuted. Currently in the midst of a deadly Covid-19 third wave, South African businesses are having to contend with tough restrictions in an already fragile economy. — Jarryd Neves

By Roxanne Henderson
(Bloomberg) – Violent protests in South Africa linked to the arrest of former President Jacob Zuma spread to Johannesburg, the nation’s economic hub, with another major road shuttered.

That followed the closure of a key trade route in the country’s eastern KwaZulu-Natal province after trucks were torched.

The protests began as Zuma’s supporters called for his release after the ex-president turned himself in to authorities on July 7. Zuma was sentenced to 15 months in jail for defying a court order to testify at a graft inquiry. He denies any wrongdoing and challenged the sentence.

President’s warning
President Cyril Ramaphosa condemned the violence in a televised address to the nation, and warned that all those involved will be arrested and prosecuted.

“While there are those who may be hurt and angry at this moment, there can never be any justification for such violent, destructive and disruptive actions,” he said. “It is a matter of concern to all South Africans that some of these acts of violence are based on ethnic mobilisation. The outbreak of violence is a response to an “unjust” system, Jacob Zuma Foundation spokesman Mzwanele Manyi told Johannesburg-based broadcaster eNCA in an interview. “It is the result of a vicious sentence given to a 79-year-old man without giving him the right to a fair trial.”

Even as protests flared, police were deployed along major routes to help enforce rules around gatherings to contain the spread of the coronavirus.

“A warning is issued to those circulating inflammatory messages, inciting violence and lawlessness, that they refrain from doing so,” police said. “The possibility of criminal charges being instituted against such persons cannot be ruled out.”

Various business lobby groups made statements condemning the violence. “In addition to being lawless and endangering lives, these actions have a devastating impact on an already fragile economy and on investor confidence,” said Business Unity South Africa.

Read also:
DA to lay charges of treason and terrorism against ANC-instigators of unrest

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Watch! Pockets of SA descend into chaos
By Joseph Cotterill for The Financial Times of London

The burnt ruins of a cold chain warehouse were still smouldering last week, sending trails of smoke into the sky above Hammarsdale on Durban’s western outskirts — a promised new logistical heartland for South Africa.

After days of the worst looting in the history of the post-apartheid democracy, any meat that had not been stolen was rotting inside.

The eruption of huge civil unrest, after former president Jacob Zuma was jailed for failing to attend an inquiry into corruption, has hit KwaZulu-Natal province hard. It has long been a base of support for Zuma. More than 330 people have died across the country during a week of violence, which ended when troops were put on the streets.

Nowhere is the economic impact more evident than in Hammarsdale, where looters targeted some of the many retail warehouses and manufacturers that extend for miles along a key motorway route from Johannesburg to Africa’s biggest container port in Durban.

Since Cyril Ramaphosa took office as president in 2018, promising to turn around a languishing economy, hopes had been high for a renaissance for the area. “There had been real positive momentum. Jobs are being created,” said one executive, who declined to be named.

This future is now at risk, business groups such as the South African Property Owners Association and Business Leadership South Africa have warned. The estimated cost to the province’s gross domestic product — in terms of losses to stock, damage to property and lost exports — is roughly R20bn ($1.4bn). South Africa’s gross domestic product last year was about $300bn.

Some businesses may take years to be rebuilt, according to industry groups.

KwaZulu-Natal (KZN) and Gauteng, South Africa’s economic hub which was also hit by violence, make up half of national GDP and almost half of the country’s population. The port of Durban handles 70 per cent of the country’s imports and is a gateway to southern Africa.

“It’s currently difficult to assess what the total cost of the unrest is because there are areas which are still volatile, particularly in KZN. However, the damage is likely to cost north of R20bn in KZN and the cost to the country is likely [to be] north of R50bn,” said Thabi Leoka, an independent economist. “The biggest loss, apart from the loss of lives, is the loss of jobs that many will incur because their places of work no longer exist.”

KwaZulu-Natal has long symbolised two South Africas: one of investment and job creation in high-tech logistics, and another of decay and potholed roads outside of the business parks.

Protests that began with truck burnings and looting quickly became an assault on food supply chains, including supermarkets, warehouses and food packaging. The deliberate sabotage of such investments was at the heart of the unrest, Ramaphosa told business leaders this week, as part of a plan “to cripple the economy, cause social instability and severely weaken — or even dislodge — the democratic state.”

The unrest also reflected despair over years of joblessness and hunger worsened by the pandemic. “This was not a Zuma issue — it was a ticking bomb,” said Thapelo Mohapi, spokesperson for Abahlali baseMjondolo. In Durban’s Umgeni Park area, one such settlement sits just below leafy suburbs and warehouses, yet “people were even cooking wild plants under lockdown” , said Mohapi. As the unrest spread, “people were taking food and saying ‘I don’t know who Zuma is’.”

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Mooi River is being ‘destroyed by apathy’

Donovan Carter, who has been operating businesses in Mooi River for three decades, had a front row view of the chaos which erupted in the town. He shared what was happening with BizNews founder Alec Hogg – a former resident. Carter’s account of the destruction in Mooi River is chilling. He states that this cannot go on forever, otherwise “this country will end up bleeding and people will leave.” – Nadya Swart

On the consequences of the protests on his staff
“...Our staff obviously have been hit quite hard over the last year with Covid, etc., and they’re desperate to work. You know, we’ve had staff throughout the whole town and the whole province. I suppose the whole country, working short time. And just as things were starting to get a little bit better, we went into lockdown. So, they are devastated – because these are people that have come to work every day. They want to work, you know, just like we do. We want to run a business. They’re just good, honest people wanting to make a living and educate their kids and feed their families. So they are devastated because it’s a ripple effect. As it starts with businesses, it moves down towards the staff and their spending power gets less. So it’s just devastating for everybody.”

On why what’s happening is a reflection of high unemployment amongst SA youth
“...Over the years, as you say, 10 years ago when you left – there was still some industry and there were businesses that were sort of flourishing, but they have flourished over the years as more and more people have left and less people are employed and generally, Mooi River is really, I would say, a 90% government grant town. People survive on the grant. The town itself, which relies on local trade, has business on the 15th when the government people get paid for two days and then again at the end of the month when the grants are paid. It’s not even pay day at the end of the month anymore. It’s waiting literally for the government grants. So (definitely) unemployment is a big problem here.”

On how long it will take to rebuild
“If I look at the past – from three, four years ago over the Easter periods when we had those two years in a row – and seeing that the town never recovered from those to start off with. More and more people have left, especially as people’s leases are ending, people who are tied into leases are leaving when the leases are ending. They just don’t find Mooi River viable anymore. So I don’t see that there will be a quick recovery at all, if any. I don’t want to just say that it’s Mooi River on its own. But Mooi River, being the town that I live in, I can only see it going backwards. We’ve been here 30 years next year and it’s only going backwards. You know, there’s just so much potential here, but it’s being destroyed by apathy and government culture of not doing what it should about certain situations.”

On whether law & order forces are hopelessly insufficient to keep the criminality under control
“Well, currently, look – I think the whole of the SAP, the SANDF – you know, I don’t know if their hands are tied with the laws in our Constitution, but definitely a problem that I’m seeing arising now [is that] there’s obviously very few of them. And with riots jumping all over they’re thin on the ground because they are being moved around. But, you know, for me – when the government security arm such as police and SANDF and that aren’t here to protect citizens and citizens are now beginning to look at defending themselves – that’s just a recipe for civil war.”

On what the police on the scene are doing
“The police are watching. They are literally...I feel for them because I talk to them all the time, because I’m very grateful that they are around our area and sort of at my petrol station because we are at a strategic point – an entry and exit point to Mooi River going to Durban and Johannesburg and obviously the exit and entrance into the township across the road from us. So we have a lot of police presence, especially on the bridge, but they do nothing. They basically are there to monitor the situation. I’m pretty positive that’s obviously the instructions they’ve been given. There hasn’t been a single round fired by any police officer at all. The security do more shooting than the police do.”

Listen to the full interview

“...This reminds me of the 70s” – David Shapiro

South Africa’s favourite market commentator David Shapiro joined the BizNews Power Hour to talk about the chaos unravelling throughout parts of the country. No matter which way you slice it, the scenes were horrific and reminded Shapiro of the 70s. David unpacked the factors at play, including the high unemployment rate which has been aggravated as a result of the coronavirus pandemic. One can understand the anger and frustrating felt by many across the country, however, these acts of violence and looting cannot be tolerated. – Justin Rowe-Roberts

On investing in South Africa given the chaos that unravelled
“It applies to all of people that are thinking about investing in South Africa or considering it. Just take a step back, last week we had the news of Imperial Logistics and that was a good sign because other people are interested. We’ve been discussing how many other businesses would be taken over. One would step back and say ‘Is this the kind of country we would want to send our people into?”

On the factors at play
“That’s exactly it. I don’t think this necessarily has to do with Zuma at all. The cause is Zuma but what it has done is give them a chance to express their frustrations and anger. You can understand people that are not employed, if you have matriculated and you cannot find a job, of course you are going to become angry. If you read the start of the communist parties in the 30s, it all started because of starvation and anger at the system that wasn’t allowing them to get jobs.”

On keeping your sanity during these periods of mayhem
“It is very difficult. You’re in lockdown, in fact, I was talking to a former partner of mine Pano Nicolatos and Pano phoned me and we were chatting. He’s gone out to Laaiparkdveli (Krugersdorp area). The reason he called me was that it was his 50th wedding anniversary, so he listens to podcasts (laughs). But he phoned me from Laaparkdveli where he has a shopping centre and he said they’re all in lockdown there. They heard the masses were coming so they put up the railings, they put up the bars, closed the shops and went home. My message to Pano was ‘I don’t care about that, just make sure you’re safe.’ In other words, don’t look for trouble cause when those masses come, you don’t know which side they are going to come from. It’s like an army marching on you.”

Listen to the full interview

David Shapiro is the deputy chairman of Sasfin Securities

This reminds me of the 70s – David Shapiro
Is now the time to be disarming citizens?

When the government announced a proposed law that would effectively ban gun ownership for self-defence, myriad South Africans flew into a justified fit of rage. In May, firearm activist Gideon Joubert joined the BizNews Power Hour to discuss the proposed bill.

“The trio of violent interpersonal crimes have been increasing year on year. Yet, it’s in this bizarre sort of ambiance of increasing violent crime and a completely dysfunctional police organ, that the government now proposes to remove, from citizens, the ability to defend themselves with firearms legally,” said Joubert. Himself a victim of violent crime, he – along with numerous South Africans – are utterly perplexed by government’s desire to limit gun ownership.

The Institute of Race Relations (IRR) also said that the ban on firearms for self-defence would make things worse for women in South Africa who, daily, face abuse and gender-based violence. Nicholas Lorimer looks at whether private firearm ownership has a connection to a higher murder rate and whether more relaxed gun laws result in women being harmed or killed by their partners. – Jarryd Neves

Proposed changes in the Firearms Control Amendment Bill have ignited fierce public debate on the implications for legal gun ownership in South Africa. The draft legislation will tighten almost all aspects of legal ownership, including the number of guns an individual can own and, most controversially, will remove ‘self-defence’ as a reason to apply for a firearm, leaving hunting and sport as the only reasons for an ordinary person to purchase a firearm.

At stake is a debate over life and death, over the right to protect oneself. It is therefore no surprise that the draft legislation has received passionate responses both for and against.

Gun control group Gun Free SA (GFSA) said: “All of us living in SA are grappling with ways to protect ourselves, our family, friends, colleagues and wider community from violent crime. The best way to do this is to use available evidence to make the most informed decision. The available evidence shows that reducing access to firearms helps make our homes, communities and country safer.”

In agreeing on the significance of evidence as a basis for decision-making, Gun Owners SA has a different view on what the evidence shows. It has described the legislation as a “train smash”, one of the tamer descriptions of the bill by pro-gun groups. Indeed, many pro-gun groups and political parties have called on citizens to make their voices heard and are circulating petitions that have already gathered, summing across groups, an estimated 100,000 signatures or more.

What should we make of all this? Well, I will say upfront that I and the IRR for whom I work are opposed to this legislation and are running a campaign to inform South Africans about the potential negative consequences of passing it. We have enjoined over 20,000 signatories to this campaign. We have arrived at this position by taking GFSA’s advice and using the available evidence to inform our decision.

So, let’s review some of that evidence. Two of the most significant arguments put forward by gun-control groups like GFSA are that 1) private firearm ownership is correlated with a higher murder rate, and 2) that relaxed gun laws result in more women being murdered by their intimate partners.

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ANC factions encouraging ‘dangerous politics’

ANC factions stir ‘dangerous politics’ in South Africa’s towns

Joseph Cotterill in Durban

Thapelo Mohapi looks at the mangled and scorched scraps of what were once shacks and reflects quietly that, at 38, twice now have the flames of political violence in South Africa left him without a home.

The first time, as a boy in the 1980s, Mohapi was given shelter by Indian neighbours in the Durban settlement of Phoenix where the brutal last days of apartheid engulfed the nearby black township where he lived.

It was part of solidarity that would in time give rise to a multiracial democracy. “The Indian community never said at any stage that you are not part of us,” he says.

The second time was the night of July 14. As riots and looting sparked by a power struggle in the ruling African National Congress, he says, “I think it’s a combination of people who are racist and unlawful. But it shows that we have got to do something about our economy right now because it can have an impact for many years.”

On the potential reasons behind the looting

“I think it’s a combination of people who are not that badly off who saw the opportunity – but also it was the opportunity for desperate people to probably get their hands on food. Obviously, there’s there’s two sides to this and

there’s community resistance to this. But what we haven’t seen is the kind of revolution with leaders speaking from political platforms or anything like that. It was an opportunity that widened very quickly to a large number of people. One of those reasons, without a doubt, is that the fact that our economy, at the moment, is in a very dire shape. We’ve run out of money. We’ve had years of corruption and now we’re paying the price. This event basically is something we’ve got to pick up on because it’s an indication that the worst case scenario has increased in probability.”

On the high road or low road for South Africa is from here

“The two scenarios we have in this book [Thinking the Future] is a people’s economy where Ramaphosa sets up the same kind of command council that he has for Covid. He does the same thing for trying to introduce a much fairer, inclusive economy. He would include quite a few entrepreneurs on that list – people like Adrian Gore who founded Discovery. People who know what it’s like to set up a business. He would put the same kind of passion into that, as he has done into trying to protect us from Covid. We would have regular report backs on how many new businesses have been formed in the townships, how many banks have set up facilities, how many websites have been turned into e-stocks exchanges in the major cities?

How much of a supply chain of a big business like Pick n Pay and Checkers has been focused on generating entrepreneurs? Those are the kind of statistics that would be regularly on the table improbable futures. Right now, it’s that the ANC will switch their economic policy into a full scale commitment to small business to create an inclusive economy – which is my version of economic freedom and we haven’t seen is the kind of revolution with leaders speaking from political platforms or anything like that. It was an opportunity that widened very quickly to a large number of people. One of those reasons, without a doubt, is that the fact that our economy, at the moment, is in a very dire shape. We’ve run out of money. We’ve had years of corruption and now we’re paying the price. This event basically is something we’ve got to pick up on because it’s an indication that the worst case scenario has increased in probability.”

On whether the ANC has the ability to change and embrace much-needed policies

“That’s why I’ve written this book with Mitch [Ibarry]. We want to show them that the future is different. You’re repeating what people said to me in 1987 when I produced the first book on scenarios – it’s called The World in South Africa in the 1990’s. People said, “why did Anglo allow you to waste your time writing this book? There is no way the National Party government is ever going to negotiate with the ANC, and with Nelson Mandela. We saw fairy tales is ridiculous.” Actually, it turned out to be correct and we did take the high road in releasing Nelson Mandela.

I saw him in prison about a month before he was released and he said he’d read the book and he took particular note of our high road scenario. I’m saying that even though this may be improbable, the whole point of our process (which we advocate in this book) is to put on the table improbable futures. Right now, it’s that the ANC will switch their economic policy into a full scale commitment to small business to create an inclusive economy – which is my version of economic freedom and that in a few years time, people will look back and say, “you did capture in this particular book.”

“We’ve all got to now put our weight behind this kind of movement. It’s not just a top down movement with several and a council of CEOs. It’s going to have to be a ground up movement as well in the sense of a revolution of thinking in the minds of municipalities and small towns and rural areas about what constitutes the best way to go forward in terms of creating a proper economy.”

ANC RIOTS

SA Riots

Sunter says that “the red flag of [the] looting and destruction of businesses under Ramaphosa is from here in order to avoid jail are prepared to sacrifice a weakened state — and manipulate social divisions.

Phoenix, Mohapi’s old refuge, was also swept up in the fallout. As police vanished amid looting, tragedy unfolded in a microcosm of South Africa’s complex race relations. As street barricades were thrown up against looters, armed vigilantes emerged and “people that had lived side-by-side in relative peace turned on each other” , Ramaphosa said last week. At least 20 people were killed in the clashes in a township that is majority Indian but where many black South Africans live and work.

Sunter’s Low Road to anarchy a 50:50 call

A uthor of ‘Thinking the Future’, Clem Sunter says that “the red flag of the looting and destruction of businesses under Ramaphosa is from here in order to avoid jail are prepared to sacrifice a weakened state — and manipulate social divisions.

On what the high road or low road for South Africa is from here

“Those are the kind of statistics that would be regularly reported on, because the only way we’re going to create jobs now and get out of the appalling unemployment situation, is to put a huge emphasis on new business creation – because the old world of work is over. You have automation, robots and artificial intelligence.

That’s why big business everywhere in the world is no longer creating the jobs of the last century. Indeed, the latest statistic in America is that two thirds of the jobs being created there are in small business. It’s not a sideline. It’s got to be turned into the number one priority for South Africa.”

On whether the ANC has the ability to change and embrace much-needed policies

“That’s why I’ve written this book with Mitch [Ibarry]. We want to show them that the future is different. You’re repeating what people said to me in 1987 when I produced the first book on scenarios – it’s called The World in South Africa in the 1990’s. People said, “why did Anglo allow you to waste your time writing this book? There is no way the National Party government is ever going to negotiate with the ANC, and with Nelson Mandela. We saw fairy tales is ridiculous.” Actually, it turned out to be correct and we did take the high road in releasing Nelson Mandela.

I saw him in prison about a month before he was released and he said he’d read the book and he took particular note of our high road scenario. I’m saying that even though this may be improbable, the whole point of our process (which we advocate in this book) is to put on the table improbable futures. Right now, it’s that the ANC will switch their economic policy into a full scale commitment to small business to create an inclusive economy – which is my version of economic freedom and that in a few years time, people will look back and say, “you did capture in this particular book.”

“We’ve all got to now put our weight behind this kind of movement. It’s not just a top down movement with several and a council of CEOs. It’s going to have to be a ground up movement as well in the sense of a revolution of thinking in the minds of municipalities and small towns and rural areas about what constitutes the best way to go forward in terms of creating a proper economy.”

Listen to the full interview

Clem Sunter: What life will be like as we lift Covid-19 lockdown – scenarios
The victory celebrated by South Africans upon news that former President Jacob Zuma had finally been arrested was fleeting. Footage of violent protests, looting, arson and anarchy – linked to Zuma’s arrest – shocked the nation. The protests turned deadly and showed no signs of letting up, despite the fact that the South African National Defence Force (SANDF) commenced with pre-deployment processes and procedures.

ActionSA founder Herman Mashaba, who has long been outspoken about the country’s dire need to rid itself of the ANC’s rule as well as his intention to unseat the ANC in 2024, addressed the nation by way of the below statement. – Nadya Swart

**ActionSA statement:**

I write to you at a time in which our country experiences a crisis of anarchy, lawlessness and looting that flows from the factional battles within the ANC.

Very few moments in South African politics have offered the same clarity that the past few days have provided on the following perspective:

South Africa and the ANC cannot co-exist in mutual prosperity.

Arisign directly from the incarceration of former President Jacob Zuma, factionalism within the ANC has resulted in widespread violence, destruction of property and our esteem in the world reaching new lows. I write to you to suggest that the events of the past few days need to be a moment that gets people off the proverbial bench and into the game.

I had my moment that got me off the bench in 2015 when Jacob Zuma fired Nhlanhla Nene, consequently resulting in R500 billion being erased from our economy overnight. That was the moment I resigned my business interests and stood as the Mayor of Johannesburg. Now, you will be pleased to know that I do not think the answer lies in every successful businessperson going into politics. Far from it. In the past it is has been popular for business in South Africa to remain politically neutral for fear of reprisal from the ANC or any of its political manifestations making business even more difficult. While I have never shared this sentiment, I could at least understand it. However, in 2021, we have freeways being blocked, trucks on fire, shops being looted, businesses being burnt to the ground, and scenes emanating from our country which produce long-term reputational damage.

Business in South Africa has had to learn how to operate under difficult circumstances. Consider that some businesses weathered the mismanagement of our economy, crawled out of the Covid-19 lockdowns only now to be finished off by mobs of politically driven looters and rioters.

We can all appreciate that under circumstances of anarchy, business cannot survive. These instances of lawlessness may come and go, along with the extent to which they remain in our memories. However, make no mistake, such instances can only increase under continued ANC governance.

The highest sustained unemployment in the world cannot be combined with the highest levels of inequality and our political history. Business cannot survive. These scenes emanating from our country which business being burnt to the ground, and freeways being blocked, trucks on fire, shops being looted, businesses being burnt to the ground, and scenes emanating from our country which produce long-term reputational damage.

We can all appreciate that under circumstances of anarchy, business cannot survive. These instances of lawlessness may come and go, along with the extent to which they remain in our memories. However, make no mistake, such instances can only increase under continued ANC governance.

The highest sustained unemployment in the world cannot be combined with the highest levels of inequality and our political history without anarchy becoming more frequent and the outbreaks becoming more violent. Put differently, the argument that impartiality is good for business, no longer holds water. The time has come that the economic risks of picking sides are less severe than the certain demise that will arise from sitting on the fence. Those of us who have the means to make a difference have an obligation to use our considerable means to make that difference. Speaking more bluntly, we cannot remain neutral in times of great crisis and not be culpable in what will follow.

South Africa has not had a political party capable of challenging the ANC. This is precisely why more people do not vote than those who do. The opposition establishment in South Africa has failed in their ambition and imagination, failing to be anything more than oppositional in nature. As a matter of logic, it is intuitive that business would only incur the risk of being partial when an alternative exists that offers suitable prospects of being a viable alternative. ActionSA has been created, not to be a small opposition party, but rather one that exists as a viable alternative.

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Speaking more bluntly, we cannot remain neutral in times of great crisis and not be culpable in what will follow. South Africa has not had a political party capable of challenging the ANC. This is precisely why more people do not vote than those who do. The opposition establishment in South Africa has failed in their ambition and imagination, failing to be anything more than oppositional in nature. As a matter of logic, it is intuitive that business would only incur the risk of being partial when an alternative exists that offers suitable prospects of being a viable alternative. ActionSA has been created, not to be a small opposition party, but rather one that exists as a viable alternative.

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Outgoing CEO of the Institute of Race Relations Frans Cronjé joined Alec Hogg to unpack the violent anarchy that has tormented parts of South Africa. Cronjé has been warning the country about the prospect of what has happened this past week. “Regrettably, we’ve got this call right,” he says. When asked what he sees happening in South Africa, Cronjé noted that “it’s straightforward. More than half of young people do not have a job. They wake up every morning, not sure of what the day is going to hold for them. They don’t have the dignity of labour and earning something. That’s a very powerful social force. Our schools are rubbish, frankly. About four in 100 kids will pass maths in high school – with a grade of 50% or higher” – Jarryd Neves

By The Daily Friend
In the following Q&A, Frans Cronjé shares his thinking on the unfolding crisis.

Daily Friend: Are you surprised at what has transpired in the aftermath of the jailling of Jacob Zuma?
Frans Cronjé: Not greatly. We recently sent a note to the clients of our Centre for Risk Analysis in which we tracked seven occasions over the past 18 months when we had warned of the threat of violent anarchy detonating. For example, on 17 February 2020, we warned that growing joblessness will likely translate into greater levels of populist politicising and protest action. On 20 April 2020, we warned clients to ‘factor in further the increasing risk of mass looting and violent protest action’ and advised clients to expect ‘high levels of violence and anarchical protest action’. On 1 March this year, in the aftermath of the budget, we told clients that its implications mean that ‘the risk of social instability will rise’. Three weeks later, on 23 March, we advised that ‘socio-economic stresses may precipitate significant social instability and violent protest’. Most recently, on 5 July, we looked at consumer data among poor households and warned of what this heralded for political stability.

Daily Friend: What lies behind the protests?
Frans Cronjé: I think six things, and possibly a seventh. The first is very high levels of economic exclusion that you can read in our labour market absorption data. The second is failing schools that give the great majority of kids no real chance in life. The third is unchecked corruption, especially at local government level. The fourth is racial nationalist rhetoric from the government that creates a climate conducive to ethnic conflict, just one symptom of a callous and failing state. The fifth is government policy that, rhetoric aside, is unable to address any of these problems and more often than not exacerbates them. There is possibly a seventh as well in media denigration of the official opposition, which has put people off the perhaps most viable political alternative to the current administration with the effect that people turn to means beyond the formal political order to address their social and economic frustrations – such as through violent protest.

Daily Friend: It’s not a happy picture...
Frans Cronjé: But it is the hard reality of a government that remains averse to reform and is weakening, and losing, ever more rapidly, its ability to govern the country let alone enforce order.

Daily Friend: Where do you factor Jacob Zuma into all of this?
Frans Cronjé: In this case his incarceration has been the spark that set off the powder keg. We advise clients to distinguish between sparks and powder kegs. If it had not been Zuma, it would have been something else.

Daily Friend: How does this end?
Frans Cronjé: There are two end game risks to be avoided now. The first is that the protests follow the pattern of the many xenophobic pogroms South Africa has experienced over more than a decade. In other words weeks of pogroms that spread to all economic centres with high loss of life and severe economic disruption. The second is that the security forces shoot and kill a number of protesters and that that sets off a national uprising against the government. Short of that, this should calm over the next ten days – but in the longer term the only way out of the cycle of violent eruptions will be to sustain much higher levels of economic growth. Otherwise expect this pattern to be repeated over and over again, each time with greater intensity, until it sweeps the ANC out of power.

We’ve been warning SA to expect anarchy

The economic pain of the riots – Mike Schüssler

In this piece, Mike Schüssler looks at the impacts of the destruction (both direct and indirect) that will plague South Africa in the years ahead. – Jarryd Neves

By Mike Schüssler*

There is no doubt that the horrific destruction of property and looting witnessed primarily in KZN and Gauteng mid-July, will have a detrimental impact on the economies of those provinces, but also directly on the country’s fragile recovery. South Africa has just tentatively started to recover following the worst recession in 100 years, and the impact of the riots will act as a further hurdle to the economy. Not only the direct impact of the destruction, but also the indirect impact will hover with us for some years to come.

Direct Economic Effect

Trying to estimate the exact cost to the economy of what has played out in near impossible, as companies are in the process of calculating losses and different institutions report different accounts of the events. KZN’s contribution to the country’s GDP is 16%, compared to Gauteng’s contribution of 34%. While info is gradually becoming in the fore, we have based a rough estimate of the direct impact of the devastation on the economy on Business Leadership South Africa’s indication that 200 shopping malls had been looted. Using the proportion of shopping centres in the country that were affected as between 8% and 9% we have concluded that the cost of rebuild is in the order of R14 billion. Add to that the cost of about 40 trucks (and contents) that have been burnt on the N2 and N3 Highways which is estimated to be worth R500 million. Coal exports stopped for just over a week, which would add a further billion to the cost. Other exports also stopped when the harbours were closed. However, apart from shopping malls, there were also numerous other shops, distribution centres and factories that were damaged in addition to the N3 route being closed for nearly a week. Inventories of final goods in the private non-financial sector were estimated at R634 billion at the end of the first quarter by StatsSA. Assessing destruction to be 8% to 9% as in the case of shopping malls this would mean a destruction of around R56bn of final inventory. Some manufacturing plants also closed, and some inventory had to be discarded. South Africa had R148bn of intermediate and R72bn of raw materials in stock at the end of Q1 2021. We estimate that the overall damage will be around R60 billion to R80 billion when the flames settle.

The economic growth impact is not only to be felt in 2021, but likely to filter into 2022 as well. Early indications suggest that the real GDP growth rate for 2021 could be 0.5 – 1.0 percentage points lower than earlier estimates, suggesting that the time needed to get back to pre-Covid production levels have indeed been moved out by some more quarters.

Indirect Effects

An aspect that is also difficult to quantify, but very real in terms of risk to the economy, is the indirect impact of the rioting and destruction. Almost all these impacts are for the next few years as the results are not immediate, but likely to take years to be fully realised. We highlight some thoughts on these.

- Fiscal impact

While the better-than-expected performance of the economy so far in 2021 created a windfall in tax receipts for the state (mainly driven by the mining sector), the damages caused by the riots will lead to lower taxes being collected.

Theeconomic pain of the riots – Mike Schüssler

Mike Schüssler is a Consulting Economist at BrentHurst Wealth

Click here to read the full article

FISCAL IMPACT
Moral fibre in SA has been eroded – Nathan

Steven Nathan, founder of 10X Investments, joined the BizNews Power Hour to discuss the country’s latest trauma. Nathan noted that President Ramaphosa has, thus far, not really shown a strong leadership position and that “he hasn’t created a platform and given confidence to the various stakeholders that things are going to change.” The President’s impunity he says, “eroses people’s confidence and gives them greater license to do things that they ordinarily would not do if it wasn’t for operating in a society where they see people getting away with what they believe is unfair practices.” – Nadya Swart

Steven Nathan on the current crisis

“Where does one start? Because things that you thought were significant become less significant. You know, who cares really what the market’s doing, mentally, economically, this is really a low point in South Africa’s history. And, as you say, you know, hopefully some good does come out of this. But I think that the President thus far hasn’t really, from what I can ascertain, shown a strong leadership position. And he hasn’t really created a platform and given confidence to the various stakeholders that things are going to change. And I think that’s been quite disappointing from what I’ve seen. You know, he hasn’t come across as someone who is confident. He almost looks like he’s on his own. I think that optics are really important here. It would have been fantastic – not just to see him – but to see a strong, unified cabinet. And even in addition to that, I remember during the early days of the pandemic in the US, Donald Trump – now obviously we’ve all got different views on Donald Trump – but I remember quite early on, on the lawns of the White House, he was swamped by members of his senior cabinet and also by senior business leaders – you know, the CEO of Google and Walmart and many others. And he said, we’re going to fight this together. And I think that sort of show of strength [and] unity of definitely a part of what we need in order to give us confidence that there is a credible strategy in place to tackle the immediate issue and then also the underlying causes that have led to this. But so far, I personally haven’t seen much, any of that.”

On whether SA will take the high road or the low road towards anarchy

“Well, I think that if we look at the data, if we look at the facts – we know that South Africa has been trending downwards for a long time. You know, a lot of us sort of point to the last 10 years and we can look at economic indicators, we can look at – and we’ve spoken about this before – real GDP, what we call economic output per person, and how that has fallen over 10 years. So even 10 years ago – we weren’t in a very strong place. We still have a very unequal society. We know that South Africa is one of the most unequal societies in the world. And unfortunately, we haven’t done a huge amount over the last 25 years to improve that.

So the sort of benefits of democracy from an economic perspective have not been widely distributed. So if we look at all of the financial and economic indicators, they’ve been worsening over time. And I don’t think it comes as a surprise to anyone that there is large spread unhappiness amongst a majority, probably a majority portion of the population. And we know it’s also the younger population who are more likely to take action if they are disappointed. If you’re older, you might sit back and just let things go. But when you’re younger, you’ve got more energy, more motivation and more to gain by taking action. So I don’t think in and of itself what we’re seeing at the moment is an enormous surprise.

It’s a huge disappointment that it’s happened. And it’s also a huge disappointment that government wasn’t able to predict any of this. I don’t know where the sort of government intelligence is in this whole issue and that they haven’t been able to address it. So I think it’s got a sort of high road and low road. I certainly believe we’ve been on the low road for a long time. I’m not sure that we can just say there’s a low road and a high road, but we certainly haven’t been doing the right things for a long time.”

The only way out for SA is economic freedom

The Free Market Foundation’s Chris Hattingh writes that with such a high unemployment rate amidst high inequality, as factors contributing to the current state of looting. Yet he did not address any of the government policies that exacerbate, if not cause, these burning issues. Because of an anti-entrepreneurial and anti-wealth creation environment, many South Africans will feel that inequality is a static phenomenon, and that the only way to take care of themselves is to take what they can get from others, while they can.

Citizens are told that, if they do not have as much as someone else, it is always because that other person (or group) has illegitimately acquired what they have. Many in government, and in the commentariat generally, assume that wealth is fixed, and that it is only ever change through force. There is little to no acknowledgement of the fact that the government controls every facet of the economy (in some instances blatantly, in others subtly). This state of affairs has steadily manifested to where we are now, where it matters more who you know politically, and that government must ultimately decide how a fixed amount of wealth ought to be distributed amongst competing interest groups.

Busisiwe Mavuso, CEO of Business Leadership South Africa, has indicated that by the afternoon of 12 July more than 200 shopping malls had been looted, and retailers had lost an estimated R2 billion. Rebuilding businesses, and reinforcing and expanding supply chains, will take a long time. According to KwaZulu-Natal Premier Sihle Zikalala, as of 13 July, 26 people have died as a result of the ongoing violence. Gauteng Premier David Makhura confirmed that 19 people have been killed in that province.
Financial Times perspective: Defending Soweto

South Africans reel from riots. "We are on the verge of eating each other."
Jailing of former president lit a fuse to slow burning tensions over unemployment and long lockdowns.

By Joseph Cotterill of the Financial Times of London

SOWETO - As South Africa’s worst public violence in decades swept Johannesburg and its biggest township this week, Milaan Glauck was ready to defend the shopping centre he called Soweto’s “last elephant” with his life.

Clad in camouflage and armed with a pistol, the 33-year-old community leader guarded the closed gates of Soweto’s Maponya mall with a handful of police and soldiers on Wednesday, a last line of defence against rioting that has left more than 70 dead and devastated Africa’s most industrialised economy. Two hundred other malls like Maponya have been looted in affected areas, according to business leaders.

“We can’t sit back while the township economy dilapidates further,” said Lux. “The biggest mall, that employs the biggest number of people, is the one left standing. If it falls, it’s the last elephant.”

In the past few days, South Africa has come closer to social breakdown than at any point since the end of apartheid almost three decades ago. Such scenes of violence have “rarely [been] seen before in the history of our democracy”, President Cyril Ramaphosa said on Monday. For Lux, it is clear what is at stake. “I for one am prepared to die” to halt the unrest, he said. “We are on the verge of eating each other.”

The immediate trigger for the unrest was the jailing last week of Jacob Zuma, the former president, for failing to attend an inquiry into corruption during his nine-year rule. What started as sporadic protests, led by the Economic Freedom Fighters, swept Johannesburg and other cities.

Military intervention was avoided on Monday when mass rioting convulsed two of the most populous and economically important provinces: KwaZulu-Natal, Zuma’s home state and power base, and Gauteng, which includes Johannesburg and Soweto.

After months of lockdowns and amid a devastating third Covid wave, tensions have come to a boil. As cities are torn by looters, motorway and vital economic arteries have shut, as have vaccination centres and businesses. Warehouses in Durban, Africa’s biggest port, have been burnt and looted. With overwhelmed police often standing by doing nothing, Ramaphosa ordered 2,500 troops on to the streets. Later on Wednesday, the defence ministry called up thousands more, in what is set to be the biggest deployment since the end of apartheid.

Zuma’s jailing was hailed as a victory for the rule of law in South Africa, and for Ramaphosa as he sought to combat graft in the ruling African National Congress and to unify its warring factions. But the ensuing chaos — and the security forces’ struggle to gain control — has fanned criticism of the ruling party for presiding over years of institutional decay and its failure to tackle inequality.

SA leading global fight against strongman rule

South Africa is ahead of international trends. The jailing of Zuma should inspire other developing democracies.

By Gideon Rachman of the Financial Times of London

The imprisonment last week of Jacob Zuma, the former president of South Africa, underlined a fundamental truth. The survival of democracy depends on an independent judiciary.

International politics is currently disfigured by a plague of leaders who want to govern unconstrained by the law. These would-be strongmen are not confined to autocracies such as China. They have also emerged in countries that hold free elections, such as India, Turkey, Brazil, Israel and even the US, self-styled “leader of the free world”.

The difference between successful strongmen and those whose ambitions are thwarted is, more often than not, the strength of the judicial system. If a ruler can eliminate the independence of the courts, the door is open to the destruction of democracy, untrammelled corruption and the suppression of freedom of speech. But if the courts can hold the line, political freedom has a chance.

Jacob Zuma was, in many ways, a classic strongman leader: charismatic, corrupt and contemptuous of institutions. As president, he cultivated a close relationship with Russia’s Vladimir Putin. Zuma also used Trumpian rhetoric, encouraging race-based conspiracy theories and denouncing judges. Populist leaders often dismiss inconvenient facts as “fake news”. But in the courts, truth and accountability still matter. The words of Sisulu Khampwepe, the acting chief justice who sentenced Zuma, carried real weight: “No person enjoys exclusion or exemption from the sovereignty of the laws of the republic. And Mr Zuma is no exception.”

The significance of independent courts is underlined by the contrasting fortunes of Donald Trump and Putin. Trump’s efforts to subvert US democracy were thwarted by court after court. Even Supreme Court judges that Trump appointed in the hope that they would favour him chose to follow the law.

By contrast, when Alexei Navalny flew back into Russia to challenge Putin, he was immediately arrested, put on trial and imprisoned. When the Kremlin requires it, the Russian courts are willing to deliver absurd verdicts, such as convicting Navalny of violating his parole, when he was in hospital fighting for his life after being poisoned.

Strongman leaders and would-be autocrats understand the danger of independent courts. Before Xi Jinping took power in 2012, many Chinese liberals hoped the country’s legal system could gain some independence from the Communist party. Under Xi those hopes have been crushed. Zhou Qiang, China’s chief justice, gave a speech in 2017 in which he denounced “judicial independence” as “an erroneous western notion” that “threatens the leadership of the Communist party”. China’s campaign to crush dissent in Hong Kong has swiftly begun to threaten the independence of Hong Kong’s courts.

The destruction of judicial independence is a crucial step in the construction of an autocracy — which is why the EU is so concerned about legal “reforms” in Poland and Hungary. The political future of countries such as Turkey, India, Brazil and Israel may also hinge on whether the courts are strong enough to rein in the autocratic tendencies of their leaders. All four are democracies that have elected strongman figures who display disdain for democratic checks and balances.

In Israel, the court system held firm and corruption proceedings against Benjamin Netanyahu went ahead, even when, as prime minister, he denounced the judiciary. He has now lost office, after an election.
Corruption thrives in a destabilised state

David Everatt notes that SA’s gaping inequality, frustration of the hungry (and jobless) masses and even “internal ANC factional tensions spilling onto the streets” could be a few of many reasons behind the recent civil unrest. Everatt writes that “hunger people do not become violent looters on behalf of better-known looters who are in jail. They may well be available for mobilisation (looting, violence, marching) behind the organisers – but it is the organisers that need to be brought to book, and who must also face the rule of law.” As the Wits professor concludes, corruption (already a major problem in SA) thrives in a destabilised state with weak institutions. If SA were to go back there, there would be “no turning back,” he remarks. – Jarred Neves

By David Everatt

South Africans spent most of mid-July glued to their news outlets, from established media outlets to TikTok, from streaming services, to social media. From Diepsloot, to KwaKhetho, to KwaZulu-Natal, the country’s democracy their former president had enabled and championed? Would the state capture, looting, de-stabilisation of institutions and threats to the rule of law be over? Would the country finally get some taste of revenge for the state capture, looting, de-stabilisation of institutions and threats to the rule of law? Would Jacob Zuma blink?

The rule of law won. The institutions that had been so assiduously hollowed out over the years to refurbish (at a cost of R100 billion or so later) were booked into a rather comely looking “state of the art correctional facility” in Estcourt (which had taken 17 years to refurbish). The rule of law won. The institutions that had been so assiduously hollowed out under the nine years of his presidency had flexed their new-found muscle. The Constitutional Court had long held firm, the police were rather more wobbly, but despite much assegai-rattling by family members and the Zuma Foundation, into prison he went. No ANC leader expressed joy, only sorrow that the man had fallen so low; for people not in such elevated positions, it was a rare moment of jubilation in the midst of a global pandemic that has us locked down, again.

Protests that had been low key since he was arrested on Wednesday night exploded into an orgy of looting, marching, xenophobic attacks, arson, truck-burning, stabbing and shooting, and blockading of roads and freeways (among others) by Sunday. It seemed – and Zuma’s allies and (adult) children were quick to preach the word – that he was so popular and such an object of sympathy that a spontaneous outbreak of bloody violence and theft was unavoidable, and a dark portent if Zuma was not immediately released. Prescience seemed to have replaced profligacy.

The stakes were (and remain) exceptionally high. Thanks in part to the commission of inquiry into state capture and corruption Zuma established and later refused to attend, Zuma is now known to have allowed the Gupta family, using organised crime, to launder money-laundering vehicles, to bankrupt the state. As has been noted, fish rot from the top down. Of the man had fallen so low; for people not in such elevated positions, it was a rare moment of jubilation in the midst of a global pandemic that has us locked down, again.

Civil society power will grow from riots: Alcock

GG Alcock uniquely straddles the First and Third Worlds courtesy of being brought up in a mud hut by political activist parents in the dirt-poor Mxinga district of rural KZN. His insight into our civil society and the unrest currently raging in South Africa is therefore unparalleled. Alcock believes that what’s happened in parts of the country over the last few days is a reflection of divides in our country, not between races, but between the haves and the have nots. While many theories that the uproar occurring was planned – the fire was completely unplanned – the fire was completely unplanned and that – in essence – the frustrations of lockdown, the economic impact of lockdown... But less the economic things – the frustration of lockdown, people are gatvol, you know? Gatvol of being locked down, of not being allowed to do their things. And I think that the spark that lit the flame is [that] it responded to this kind of massive frustration. And some of the blame is about – Zuma never locked us down, Cyril Ramaphosa did lock us down.” Having said that, I must say I’m surprised Zuma is still here, and I believe it, that it’ll last for three or four days, five days. It’s a flash and it’ll be gone. And yes, the impact will remain.

But already the Diepsloot and Olivenhoutbosch, there wasn’t a gunshot fired. There was no drama. And part of it was that the police got to a point where they – I mean, the absurdity of it – ran out of rubber bullets and ammunition and had to ask for people like community policing forums and other people to help them, which is a shocker. I mean, that’s a whole other thing – the fact that the police hierarchy or management have not supported the guys on the street. I feel huge sympathy for them, that they’re told they’re not allowed to shoot. In some cases, I heard of police using private weapons to shoot back – because they knew that their official weapons they’d get into trouble."

GG Alcock is a Marketer, Author, Entrepreneur & Speaker

On whether the violence raging in Gauteng and KZN is surprising

“Well, yes, I think it is a surprise on the one hand in the sense of how it’s arrived. I was thinking back to when we first chatted around thinking back to when we first chatted around thinking back to when we first chatted around thinking back to when we first chatted around thinking back to when we first chatted around the unrest may have been planned – the fire was completely unplanned and that – in essence – the frustrations of lockdown, the economic

On the theories that the uproar occurring was planned

“So my argument would be that the kind of spark was planned, but the fire was completely unplanned and that – in essence – the frustrations of lockdown, the economic

Listen to the full interview

Read also:

People will loot or go back to work if lockdown continues – GG Alcock

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Will it change South African politics?

As government lost control? It certainly seems so. Looters and rioters have destroyed countless businesses and caused millions of rands worth of property damage. Speaking to Bloomberg, the Consumer Goods Council of South Africa estimates that retailers have lost over R5 billion – an unprecedented figure. As criminals ran amok, the woefully under-equipped South African Police Service stood aside, barely able to deal with the chaos unfolding in front of their eyes. While the effects are plain to see – further unemployment, loss of life, property destruction – Jonathan Katzenellenbogen notes that other consequences are still to come. “This is an economic calamity for the country and there will be no easy recovery.” Not only has it undoubtedly hurt the economy, but it’s affected the vaccine rollout at a time when the country is in the midst of a deadly third wave. The author questions whether the events of the past few days will indeed change South African politics and perhaps be the turning point in our young democracy’s history. – Jarryd Neves

Communities were saving grace during riots

A livelihoods were destroyed, the under-equipped South African Police Service stood by while looters helped themselves to stolen property. The army, eventually, was deployed. But by then, it was already too late. In fact, many regular citizens stood up for themselves, defending what’s theirs and protecting the wider community. Reports of taxi drivers coming together to stop rioting and defend shopping malls have been praised, while in KZN myriad communities banded together to protect their towns. Below, Sakeliga’s CEO Piet le Roux writes that the curfew (put in place as part of the Covid-19 lockdown measures) should “be rejected in favour of maximum flexibility for communities to respond to their unique risks and circumstances.” The non-profit organisation has called for state security to support community efforts against looting and to “work constructively with community safety forums and local business chambers in an effort to restore stability.” – Jarryd Neves

The BizNews Shop

Everything from Investing like Warren Buffett to Cyril Ramaphosa’s audiobiography by Anthony Butler (Read by Alec Hogg)
Anarchy odds are ominous – Magnus Heystek

By James Lorimer

The media and social media have been alive with pictures that convey a sense of the sheer normality of looting and destruction in South Africa.

Footage of a portly man trying to fit an oversized TV screen into the back seat of a small car, or the large ladies repacking shops that no longer exist, and who have prepared better, they’ve linked up with WhatsApp and community radios – they’ve had a running start on what’s happening in other communities now.”

On whether this living environment is the new norm for South Africans

“I hope not. I hope that’s not the way we are going to live in this country. I woke up this morning – I don’t live too far away from Diepsloot – and I heard the helicopters flying and the gunshots and the sirens. Last night we heard the helicopters so we knew there was problems in Diepsloot again. Our staff that live in Diepsloot did not come to work, we said stay away until the end of the week. The supermarkets in our area were empty, the Woolworths, the Spar, the Checkers – they were empty. Not that I would know, but I’ve been told, the Tops liquor stores in Broadacres in Fourways was looted and ransacked. That’s not the way you want to live, it’s simply not the way.

On the incompetence of the government in the midst of a national disaster

“We need some action from the government. You cannot have a situation where the ports are being closed. The Durban ports are partially closed. The petrol refinery has closed down. That produces one third of our petrol in the country. My wife tried to fill up our cars like many people – no petrol, no bread, no milk. That’s in Gauteng.”

On diversification and investing in South Africa in these times of turmoil

“Don’t do things in panic mode. It all makes sense and now people are realising the need to diversify at least a significant portion of your assets outside of South Africa. This applies to property investments, this applies to equity investments or bonds. That’s the golden rule, you cannot have all your eggs in one basket. What’s happening now in South Africa is a worst-case scenario – anyone could’ve worked out 10 years ago that there are many scenarios for South Africa and the worst-case scenario is about here now. There’s just total chaos and mob rule.”

On whether SA is going the anarchy route

“Regrettably so. If a smart guy like Clem Sunter says its a 50/50 then I get worried. Those are not good odds when it comes to the long-term planning for you and your family. Those are very bad odds. A 50/50 means that 50% of the time it can be right. If that is your view then you should be externalising 100% of your liquid assets if it’s possible. I don’t want to be in a 50/50 scenario when it comes to me and my family, my kids and my grandkids. Those odds are becoming very ominous.”

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Gift of the Givers on SA’s looting locusts

It is often during times of great adversity that we witness the extraordinary strength of the human spirit. Dr Imtiaz Sooliman founded the Gift of the Givers Foundation in 1992 and has spent the last 29 years dedicating himself to providing humanitarian aid and disaster relief. BizNews founder Alec Hogg spoke to Dr Sooliman about the crisis wreaking havoc in South Africa right now. Dr Sooliman shares an incredibly insightful view of the four categories of persons who are fuelling the riots and the looting. What really hits home, though, are his stories about ordinary South Africans who have united to defend themselves and each other where the government was unable to do so.

On rumours that his warehouse was looted

"Well, actually, it's not true, number one. And secondly, it's actually not our warehouse either. It's a warehouse that was used by a person who was a volunteer – a business person who used to work with us in the Port Shepstone and South Coast area. He used to do deliveries and distributions. He would call us and say, 'People, I need [you] here, can you help?' So we would send him supplies in advance. 'People, I need [you] here, can you help?'"

On the impact that the current looting crisis is going to have on the demand experienced by the Gift of the Givers Foundation

"Yes, it's already coming, you know. When it started on Sunday, it was OK. Monday it was fine. And then suddenly the calls started coming in. Strangely enough, from private hospitals first and then public hospitals saying, 'We have two nurses on duty, our patients are hungry, we can't get oxygen to them. What do we do? We don't have enough staff. Can you help?' There's no place, we don't know where to access food. Everything is closed. There's no transport. The roads are closed. What do we do? Medical workers calling and saying, 'We can't get to work. Our patients are suffering.'"

On whether there's an upside to all the chaos

"There's a great upside. You know what? South Africans are not going to be used again to be divided along racial lines and any kind of issue that tears us apart, whether it's race or anything else. The sentiment and the narrative from all groups is coming that we must stand together. And what is absolutely encouraging is when the culprits started calling in their numbers, there's a few of them saying, 'We want to help.' Now they've taken a big knock. Many of the companies, the malls have been destroyed, shops have been destroyed, chain stores have been destroyed. It is those same chain stores calling and saying, 'Look, tell us what you need.'"

Organised civil society becoming a reality

Following days of rioting and looting in South Africa, reports of South Africans pulling together in communities became common. Joining BizNews to discuss this phenomenon was Wayne Duvenage, the CEO of OUTA (Organisation Undoing Tax Abuse). He commented on the camaraderie seen in afflicted areas, noting that this assistance “is in so many South Africans, coming to the fore in times of disaster and need.” Duvenage also noted that now is the time for South Africa to ask why this happened. "If we can take from this, the journey forward to fix what is fundamentally wrong, I think there's going to be a good road ahead.”

On what he's hearing on the ground from KwaZulu-Natal, a deeply affected province

"It's devastating. The aftermath of this is going to live with them for a long time – and in other parts of the country – because the supply lines are cut off. The distribution and getting food to the markets, in and out of ports is closed down. It's going to have a devastating impact on the economy – from fuel to food, infrastructure and then rebuilding. This is going to take a long time. I always try and find the good out of this. Nobody can really say we needed this, but what will happen – and what has to happen – is that I sincerely believe this is the time to ask why. How did this happen? We understand there is a political agenda [and] there was crime. How do we prevent this from going forward? I think [that if] we just look back, we can understand that since our new democracy, we really haven't paid attention to education, health, safety, poverty alleviation, job creation or closing the gap between rich and poor – there's inequality that exists. And yet, we had every potential to be a thriving, prosperous nation with everything that we have going for us. Our politics got in the way. Looting got in the way, self-interest got in the way. If we can take from this the journey forward to fix what is so fundamentally wrong – the electoral reform that is required, education, building, putting competence into government – I think there's going to be a good road ahead. Good growth coming from this. But if we don't seize this opportunity to do that, then we will become a banana republic."

On how upcoming local elections may reflect community/society thinking

"Local elections are coming. I think local elections are going to show the mettle of communities and society, because there is a difference between national and local and it is in the local space that change has been happening for some time. A localised tax revolt, taking over the running of the water systems, going to court [and] removing councils. There's going to be a lot more of that. The local elections are going to tell us a lot – especially with this independent candidate movement and structures that are being set up – so that local elections, we believe, will be moved out a bit further, [which] gives time to really take from this learning and solidify that.

We'll get a lot of understanding of where this country is going to go, politically, at the local government elections. We also have to have electoral reform because the party list system and people electing people to represent them in parliament, in constituencies, that is missing. They're in power yes. People might not care, but they've got the purse strings, and they know that, and I think Cyril knows he has to move now with urgency to change things – because when we get government right, government for the people, then it's going to go well. Otherwise we'll have government by the people, for the people – and that's also starting to take shape. Organised civil society is becoming a reality in this country now."

On the first call was from hospitals. Then within 48 hours – on chat groups – our calls flooded with one request; 'Our babies need milk.' And some babies need a special type of milk depending on the type of conditions they had because nobody was prepared for this and nobody had supplies. So that was the second request. The third day, those old people, people who are ill, 84 years old, 74 years old; 'We're hungry. We have no food in our house.' And then all at the same time, very wealthy people, expensive homes and ordinary people and all types of people; 'Where do we access basics like milk and bread and those kinds of items?' And then the clammer just grew. People wait in desperation; 'What do we do? How do we get it? When do we get it?'

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**Incachable SA govt set this tinderbox aflame**

Piet Viljoen, who Alec Hogg often refers to as ‘the most rational person he knows’, joined the BizNews Power Hour – with his first comment being that it is super hard to stay rational in times like these. Viljoen believes that the civil unrest that has been raging in parts of South Africa over the last few days may be a watershed for this country and that ‘things could either change for the positive or for the negative, but things will have to change.’

Viljoen says that the thing that struck him most was the complete absence of government, and that it is this continuation of this incapable government that has led to the massive inequality. The crux of the issue, Viljoen states, is that the disempowered portion of the population has just become bigger as a result of lockdowns and other associated measures to fight the pandemic. Viljoen also provides an alternative perspective on communities pulling together to fend for themselves. While he admits that it is a positive thing for communities, he notes that it will lead to large parts of the infrastructure falling away if it starts to replace the state. – Nadya Swart

*On what SA has gone through in the last week*

“Well, I think the first comment would be to say that it is super hard to stay rational in times like these. It’s just upsetting. It’s horrendously upsetting to see the videos and images of what’s been going on in KZN and parts of Johannesburg. And, you know, I think it’s a cause for deep reflection. It’s hard to just make a knee-jerk reaction and say, ‘It’s this or that, or once you do this or once you do that.’ In terms of the funds I run, I have done nothing. I’ve actually consciously not done anything at all because the environment is just so uncertain.”

*On comparing civil society in South Africa to the ‘boiling frog syndrome’*

“It could be, although it’s a pot with very high sides – so it’s very hard to jump out of that pot unless you move to a completely different new pot somewhere else. So it’s not easy. But I think what we have today is a result of an incapable government, because I think, you know, if you look at the images and the videos of what’s been happening on the computer, at least initially – the complete absence of security forces, the complete absence of government giving reassurance and attending to the matter. The absence of government completely was probably the thing that struck me the most. And that could mean many different things, but what it definitely is is a continuation of an incapable government. And that is why there is such massive inequality in the country, which is this tinderbox, which has now been set aflame.”

*On the possibility that the incapable South African government is not going to learn from this and instead double down on its ‘capable state ideal’*

“That’s why I say [that] I think we’re at a watershed because if that happens, then I think things are quite negative. If the incapable state doubles down and tries to improve what it does, it just makes things worse. And it has been doing [so] for 25 years now. Whereas, if it uses the opportunity to withdraw and starts thinking about what policies could be changed to create growth, to create employment, to create jobs, to help business do those things – then I think it’s a change for the positive. And that’s why I’m saying I think we’re seeing a watershed here.”

*On whether there’s an upside to all of this*

“I think longer term there could be an upside. Right now, where I sit, no – there’s no upside in this sort of thing. If you destroy a large portion of one of the bigger municipal centers of the country, there’s no upside to that.”
The immediate spark for the conflagration was the incarceration of former President Jacob Zuma, who has laid an unimpeded trail of violence, arson, assault and damage across KwaZulu Natal, traditional home of the Zulu people. Armed volunteers mount barricades at the entrances to my village while youngsters on trail bikes scout through the perimeter cane fields. There is no available food or fuel and that groups buzz with an incessant flood of posts about destroyed buildings, burnt cars and roaming mobs. The State is entirely absent.

For the first time, ordinary South Africans, bomb-proofed through decades of tumult, appear afraid for the future.

The democracy bought into existence 27 years ago after a negotiated truce between armed contesterst, only some of whom were white, is facing its biggest challenge. Now it is not only the disgraced Zuma that is in the dock. It is also the current President, Cyril Ramaphosa.

The immediate spark for the conflagration was when, on 29 June this year, former President Jacob Zuma was ordered to serve 15 months in prison for refusing to appear before the Commission of Inquiry into State Capture — ironically a commission appointed by Zuma himself to investigate allegations of widespread corruption.

The response from political and even criminal forces, some of their leaders once office-bearers in the ruling African National Congress, was swift. They have mustered under the banner of something called Radical Economic Transformation which translates in method to the violent appropriation of wealth and in consequence to utter desolation. It is a more ambitious form of looting than the one currently on our television screens.

The province of my birth is burning. Looters, the ANC is saying our blacks are happy. It’s not quite kosher (the Zulu thing) — they say, either the Zulus or — then they realise that’s what I perceive to be the greatest challenges facing the infant government. Always I replied: the loss of the nation’s precious skills and investment resources. The caution was unnoticed by the people burning the malls today.

To gain control of the state, the ANC followed a policy of “cabinet deployment” of party faithful to occupy every level of government. Unable to even manage its own party affairs, they had no hope of managing a modern state. Everywhere there was dysfunction, collapse and corruption, the burden again borne most heavily by the poor. Across the spectrum, the internal party factionalism was replicated by the “deployees” in the State Departments.

**SA Riots**

**Damage to SA will be lasting - Brian Pottinger**

Former Sunday Times editor Brian Pottinger writes that “the insulation will no doubt be suppressed, my province will return to its fraught peace but the damage to South Africa and the country will be lasting.” This article was first published on unherd.com. — Jarryd Neves

Brian Pottinger is an author and former editor & publisher of the South African Sunday Times. He lives on the KwaZulu North Coast

President Jacob Zuma was ordered to serve 15 months in prison for refusing to appear before the Commission of Inquiry into State Capture — ironically a commission appointed by Zuma himself to investigate allegations of widespread corruption.

The incumbent, President Cyril Ramaphosa, was widely hailed on his election as leader of the African National Congress in 2017 as the saviour of the nation, a Mr Fix It Extraordinary with a luminary history in the trade unions, business and the negotiations that led to political emancipation. His promises of a New Dawn struck a resonance with a public desperately tired of the collapse in public morality and the accelerating race towards a failed state. Tragically, it has thus far proven a false dawn. The public anger is now palpable and dangerous.

I knew Cyril Ramaphosa when he was Chairman of the publishing company in which I was Editor and later Publisher of the South African Sunday Times, then the largest circulation newspaper in the country. I believe him to be an honourable and decent man, but not an effective one. He showed an almost pathological desire to avoid confrontation, a preference for working through third parties and, later, a fierce aversion to taking tough decisions if it would affect party unity. More than once he privately confessed that he was a master at dancing on eggshells.

The hard decisions, like weeding out the criminals in his party, were outsourced to the Courts, the Commission of Inquiry into State Capture, the media or political hitmen in his own party. Thus, he retained a serene, surreal aloofness among the growing signs of chaos, division and policy-failure around him, restricting himself largely to sepulchral public utterances on safe-zone topics like gender-based violence, Smart Cities, Covid-19 and platitudinous statements of good intent. This rule-by-remote has born a bitter fruit.

Shortly after my appointment as Editor of the Sunday Times in 1996, I made a point of engaging the newly-elected ministers in the ANC Government. Invariably I was asked what I perceived to be the greatest challenges facing the infant government. Always I replied: the loss of the nation’s precious skills and investment resources. The caution was obviously lost in the translation.

Under the guise of redistributive economic programmes, the ANC ushered in the policy of Black Economic Empowerment. Whatever its good intentions, it turned into a one-way flow of money extorted with state sanction from private or public purses into the hands of a monstrously avaricious new elite. The proceeds were instantly monetised and consumed in a style that would put a Byantine court to shame. This has not gone unnoticed by the people burning the malls today.

To gain control of the state, the ANC followed a policy of “cabinet deployment” of party faithful to occupy every level of government. Unable to even manage its own party affairs, they had no hope of managing a modern state. Everywhere there was dysfunction, collapse and corruption, the burden again borne most heavily by the poor. Across the spectrum, the internal party factionalism was replicated by the “deployees” in the State Departments.

**Zulu mobilisation cooked up by the ANC - Mbeki**

As South Africa slowly comes to terms with the recent widespread looting, there have been many explanations for why this has happened and who is behind it, with fingers pointing in every direction. Some have attributed it to Zulu or ‘ethnic mobilisation’ and an ‘attempted insurrection’. However, Moletsi Mbeki rejects these theories, saying they are ghosts that the ANC pull out when the party is in trouble. He gives an interesting take on the matter and believes that while Jacob Zuma’s incarceration was certainly the spark, the actual explosion was inevitable.

“Cyril was targeting the whites — the white prejudices, let me say. He wanted to tell the whites that they are these Zulu bloodthirsty savages, but he’s going to deal with them using the army and the police. That was his strategy for allaying the white fears. Of course, the whites believed that they are Zulu bloodthirsty savages who have to deal with [by deploying] the army. That was the intention. He knows there was no such ethnic mobilisation.

Cyril knows how to manipulate the white population. He plays on their prejudices. He manipulates the black population as well. He was caught on camera a couple of years ago. He was on a campaign in Polokwane and this old lady in the township said to him that she is not going to vote for the ANC anymore for service delivery reasons. [Ramaphosa] thought the camera was far away and wouldn’t hear his reply, he told her, “you know, if you don’t vote for the ANC, the Boers will come back and take the land back”. He’s a real racial opportunist who manipulates both the whites by playing on their fears and prejudices and the blacks by playing on their fears and their prejudices. By the time he withdrew his ethnic mobilisation, the damage had been done. The whites had believed him so he didn’t need to continue with it. I don’t think he expected people like me to raise a lot of noise about it. The sparks came from Jacob Zuma lives, whether it’s Zulu or not Zulu. It came from where he lives, which is his own province. That doesn’t make ethnic mobilisation. For him to get support from his province doesn’t add up to ethnic mobilisation. It doesn’t even add up to Zulu support.”
We are all in SA to be part of the solution

Steven Nathan on the events that unfolded

‘A week is a long time in our lives in South Africa. A week ago we were talking about the chaotic events that unfolded a fortnight ago. Nathan and BizNews founder Alec Hogg talked about rebuilding the economy after the national disaster, which will fuel further unemployment and inequality in an already unequal society. Nathan suggests that entrepreneurs will play a key part in restoring and creating jobs in order for the economy to get back on its feet. – Justin Rowe-Roberts

Steven Nathan is the founder and former CEO of 10X Investments

Bloomberg recently reported on the consequences last week’s rioting and looting has had on the already weak South African economy. Over 3,000 shops have been absolutely destroyed, with 200 banks and 150 post offices suffering a similar fate. More worryingly, an estimated 150,000 jobs are now at stake, with the South African Property Owners noting that the total cost to the economy could be R50 billion in lost output alone. A large investor in South Africa, Toyota has channelled plenty into the KwaZulu-Natal (KZN) province. The recent civil unrest has thrown a spanner in the works of the global company’s plans, Toyota’s regional officer for Africa, Toshimitsu Imai expressing his concerns. According to MyBroadband, Imai noted that the safety of Toyota employees is a “key priority” for Toyota. However, he also said that it “left Toyota feeling very uncertain about the future of its business in KZN”. eThekwini Municipality mayor Mxolisi Kaunda will be meeting with Toyota in order to give the company assurance that the unrest has been stabilised. This article was first published on MyBroadband. – Jarryd Neves

By Jan Vermeulen

The mayor of eThekwini Municipality, Mxolisi Kaunda, will be visiting Toyota tomorrow morning, 21 July 2021, his spokesperson has told MyBroadband.

“Our mayor will give them assurance that the situation has stabilized and law enforcement is being deployed in all hotspot areas including industries affected,” he said.

This comes after Toyota’s regional officer for Africa, Toshimitsu Imai, wrote to Kaunda to express their concern about the violence and looting in KwaZulu-Natal.

Imai said a key priority for Toyota is the safety and welfare of their employees, their families, and the communities within which they operate.

“The safety and harmony within this ecosystem is a fundamental value we strive for because it enables us to be a successful business and thereby contribute to the communities and economies within which we can operate.

Unfortunately, he said, the incidents in the city have “left Toyota feeling very uncertain about the future of its business in KwaZulu-Natal”.

“Together with the manufacturing operations in the south of Durban were forced to close and have remained closed since Monday, 12 July 2021. We are uncertain as to when it will be safe enough for us to resume operations.”

The uncertainty caused by the unrest in KwaZulu-Natal means key deadlines may be missed. This, in turn, will hurt future prospects of Toyota’s local operations.

The closure of Toyota South Africa’s manufacturing operations jeopardises the company’s future sustainability, as it embarked on a recovery mission following the Covid-19 pandemic.

Even a temporary closure of its Durban plant and the Durban harbour negatively impacted Toyota’s ability to fulfil its export mandate. Other areas had to satisfy the demand.

Disruption of the important N3 highway between Durban and Johannesburg also meant that Toyota South Africa is unable to deliver vehicles to customers in Gauteng.

Imai said the recent spike of riots have a significant impact on its plans to further invest in South Africa, especially when it comes to its alternative energy cars.

Toyota South Africa highlighted that it is busy with preparations to launch its first locally produced “new energy vehicle” later this year.

In January, Toyota South Africa Motors announced it would be manufacturing the new Corolla Cross in South Africa in the fourth quarter of the year.

The model reveal followed the company’s announcement in 2019 that it was investing R2.43 billion in the production of a new passenger car, the Corolla Cross in South Africa.

“We will be manufacturing the Corolla Cross in both right- and left-hand drive for South Africa and the rest of Africa right here at the Prospecton Plant in Durban,” Toyota South Africa Motors CEO Andrew Kirby said at the time.
Where to from here? Heystek, Baissac answer

Magnus Heystek on staying in South Africa

‘I would tell people to be honest about their view of what’s going to happen. If you have the chance to externalise your career and even your family, considering what’s taking place in South Africa, I would probably say that you should take that chance [to emigrate]. Even if it’s just for five to seven years and if things improve, you can always come back. But to say don’t go would be a disservice to those people – if things turned out to be as bad as it can turn out. What does the ANC need to do to change someone like Claude and my view about SA? As Claude mentioned, that depends on the ANC and the cabinet.

Unless they don’t change their strategies [and] get hold of law and order in this country, my recommendation to a young family like that, is to go [live abroad] with my blessing, because there are bigger forces at play than just the individual’s right and loyalty to the country. Probably, I’ll say yes, go. But, there could be a turning point one day – and I’m not so sure it’s gonna happen soon – but let’s just assume that the ANC gets control. I think they must start with law and order. We talk about it all day long, but it has to be practical. We haven’t mentioned that three or four weeks ago, the general manager of Rio Tinto was shot and killed and they declared a force majeure.

That was already the first inking that there’s something wrong in KZN and that something is brewing. Government has done very little about the burning of trucks in Mooi River for many years, for example. The government has allowed this absolute wave of lawlessness to fester. We’ve now seen that they were totally impotent in controlling this uprising. If Ramaphosa doesn’t start firing some cabinet ministers and having some balls, as Brian Pottinger wrote on your website, you seriously have to worry about where SA is going to end up a few years from now.’

Claude Baissac on staying in South Africa

“It’s a difficult question to answer. I’m not a South African citizen. I wasn’t born here. I wasn’t raised here. I don’t have family here. My kids are South African. It’s already an agonising consideration for me – considering how wonderful the country is and how high I was when I came here in 2000-2002, with the promise that was going to take the new South Africa. I’m looking at it personally, because I have small children and I’m concerned about their ability to have a career and futures in this country. I’m a French citizen, so I have options, I will say this, however. What is rational at the individual level can become irrational at the collective level. If all the people in the middle and upper-middle class leave South Africa, then it becomes a self-fulfilling prophecy. There is no centre to hold anymore. Then all we’ll have is extremes. The extreme rich – who will benefit from a crooked capitalist system and government corruption – and the extreme poor who represent the majority. That then leads to the kind of explosions on the scale magnified to what we’ve seen. It’s so difficult and we know of so many South Africans who have left looking for better lives elsewhere and then realising that the grass is greener there.

There’s a there’s a counterpoint to what Magnus has been saying. In South Africa, we still have extraordinary quality of life. I can assure you that what you gain on one side of the balance book, you lose on the other side of the balance sheet. Living in Europe, America and Australia is not easy living. These societies are machines and you have to find ways to fit in. Nobody cares about you. You can’t get the kind of house you have. You don’t have the kind of weather you have in SA. You also don’t have the sense of nationhood – traumatising as it is or not – that you have in South Africa.”

Alec Hogg on staying in South Africa

“It’s very personal and it is very complicat- ed. If you are in the white community in South Africa and are not an entrepreneur, then you must realise that your prospects are certainly not enhanced because of all kinds of reasons – and you can argue that one way or the other. But you’re not going to have as good an opportunity in South Africa as you might have in a less racially defined society.

That’s the first part. If you are, however, prepared to be entrepreneurial [and] take responsibility for your own future, I don’t think you can find a better country in the world. The risks are high, but the rewards are also high as well. It starts from the basis of where you are. If you’re an accountant and you want to be an accountant – you want to work for somebody else – you might have a better career elsewhere. However, if you are somebody who is prepared to hustle, to get out there and find new partners – who you might even not even think about as being partners today from different cultures and that – well, this is a great place.”

Listen to the full interview

Taxi industry a force to be reckoned with

As the Head of Department for Economic Development at the uMngungundlovu District, the devastation that swept through Pietermaritzburg and its surrounds last week was even more acutely felt by James Martin than most. Describing the wreckage, Martin says the looted shops are now ‘black shells of nothing.’ Of particular significance is the way in which Martin describes the power harnessed by the taxi industry to protect and defend the businesses in and around Pietermaritzburg. An uplifting, albeit surprising shift in perspective of the taxi industry. Martin explains that there is a new layer of skills coming through across the South African taxi industry landscape, and that alongside this rising level of business acumen, there is a responsibility in the commercial environment. – Nadya Swart

On the damage that’s been done to Pietermaritzburg and the surrounding district

“Well, we do have the statistics. I don’t have them at my fingertips, but I can say that each town except Camperdown in this district was damaged severely. Richmond was almost flattened. The area to the east of Pietermaritzburg, there are smaller towns there – the businesses were almost flattened. In Howick, it’s a town most people may have heard of, we’re estimating [that] around 40 businesses have been looted. Some have been burnt. Mooi River on the freeway, obviously, a number of businesses there have also [been damaged].

And then in Pietermaritzburg itself, a couple of major shopping centres, especially in the black townships, were destroyed and burnt to the ground with, I think, only four shopping centres still standing out of, I estimate, probably double that number. So the centre of town itself, I went through during the days of the treachery, and it was a war zone. Your car couldn’t drive through the streets because of the way the debris was represented. And people were loitering, scavenging through whatever was left. It really was a war zone at the time. I’m happy to say today driving through it – it’s obviously been cleaned up and it’s safe and there’s police presence. And there is a sense of calm that’s returned.

But you can’t help noticing the destruction and the looted massive furniture shops that are now just... They’ve been burnt. There’s no other way to describe it. They’re black shells of nothing. So, yeah, I think it’s hit everybody in the solar plexus, especially from a business point of view. Some of them feel they can bounce back. Some of them feel that it’s a bridge too far now to come back.”

On the debate around whether it was just thuggery or whether it was orchestrated

“I have to be careful how I answer. Obviously I’m not speaking on behalf of government. I’m not a spokesperson for government. I think I’m just giving an opinion, which is my personal opinion. I think when this started and we let what we thought was a puppy dog out of a cage, I don’t think we realised it was a kraken. It was something that, once the floodgates had opened, would be hard to squash – judging by how easily a shop can be looted. For most of us, it’s something that never occurred to us. But I think it is something that can happen physically – really easily. You open the door and you take out what you need to. That’s how simple it is. It’s easier than shopping if you look at it like that.”

Listen to the full interview

Commuters wear protective face masks as they queue for taxi vans in Pretoria. Photographer: Waldo Swiegers/Bloomberg
Foreigners often confuse “South African Speak” for rudeness or arrogance. A bit like the Dutch, people from the Southern Tip of Africa lack the diplomacy gene. They genuinely prefer straight and plain. Uncoded. Ever since the transition in 1994, however, much was left unsaid. For most, despite its record of idiotic economic policies, corruption and misgovernance, the ANC was given the benefit of the doubt. After the chaos of the past week, however, that generosity has disappeared and long suppressed anger uncorked. Because, in their hour of greatest need communities whose rates and taxes keep the national wheels rolling, were left to fend for themselves. Those they paid to protect them simply disappeared or stood idly by watching the methodical, fearless plundering. As a result, many in the previously silent and mostly isolated majority have found each other – and their collective voice. Their ‘gatvol’ factor has scaled a new peak. This anonymously produced Open Letter to Cyril Ramaphosa captures the zeitgeist. It is circulating on social media to almost universal applause. – Alec Hogg

Dear Mr President,

You now have the perfect opportunity to do the right thing. Everyone knows this was an attempted coup, and you've said as much, just you understood to be true. But last week I suspected that the ideologues contaminating the ANC were right. He did. His administration has become the scourge of the people. That is why you, in other words. It's actually not that hard. Treat us all with respect. Equally. As citizens. Who defended you when it really counted. And importantly, in too many cases to mention, the best thing for you to do is just to get out of the way.

Do you want productivity, Mr President? Do you want economic success? Do you want social cohesion? Don't you understand that the vast middle want all of these things? Do you want to stay in power? It's not actually that hard. Treat us all with respect. Equally. As citizens. Who defended you when it really counted. And importantly, in too many cases to mention, the best thing for you to do is just to get out of the way.

Stop treating poor black South Africans like voting fodder. Enough with the failed service delivery. It's disgusting and unnecessary. Fire people who don't do their jobs. Make that phone call. Read the goddamn Riot Act. Start delivering services. Show you actually give a damn how people live and whether they can get clean water and drive safely on our roads. So enough with the KFC and t-shirts. It's revolting.

Stop treating white South Africans like the enemy. Make saying “WMC” or “1652” a hate crime, like the K-word. It's actually every bit as insulting, and it's flung about carelessly by ideologues who just are just plain racist. Enough now. And tell the Human Rights Commission to do its job. They're supposed to look after all of us. They don't.

Stop treating coloured and Asian South Africans like second class citizens. They also suffered under apartheid. Stop with the hierarchy of disadvantage rubbish. It's divisive and revolting. Quotas are a no-no. Dump them. Everywhere. Sport included.

Admit we have a tribal problem. Zulu moved to the ANC when they thought one of their own had a shot at the Presidency after years of the Xhosa Nostra. They were right. He did. And look what he did. The attempted coup was nothing but Zulu insurgent and resentment at having lost power, and the chance to feed at the trough again. Read your history. Just be honest about it, and move on.

Stop with the dual legal system. We are supposed to have just the one.

SLR: South African media first needs to change

The events which nearly brought South Africa to its knees are tragic enough without the media's contribution to downright false reporting of the facts. This article by Simon Lincoln Reader looks at the manner in which the trauma endured by South Africans has been misrepresented to the world by mainstream media. The BizNews team may be small, but we are in no way ‘keyboard warriors’ – as Reader indicates by referring to BizNews founder Alec Hogg's interviews. Again, the critical importance of the media's role is thrust into the spotlight. In order to get as close to the events on the ground, multiple interviews were conducted with individuals that actually were in 'the war zone'. From these interviews, one thing is very clear – while South Africa certainly has a growing host of problems to address, we are blessed with incredibly brave and resilient citizens. – Nadya Swart

By Simon Lincoln Reader

Back in the day when there were still adults in prestige media, you could speak of South Africa in other countries with the conviction that reporting would largely substantiate what you understood to be true. But last week I didn't answer any questions – firstly, because I didn't know enough and, secondly, because I suspected that the ideologues contaminating prestige media would rush to frame the riots and the looting according to their own political allegiance and beliefs. I was quickly vindicated: the UK Guardian's coverage of the events trended on Twitter as being 'a response to social injustice'. New Frame, a woke start-up operating out of Braamfontein, arguably shafted the pooch first by perpetuating the entirely selective and contentious narrative – but even by the Guardian's usual standards this was repulsive.

Not without irony. This coverage occurred in the same week that the Guardian presented as a 'scop' – the fester corpse of the Russian hoax once again, claiming 'evidence' they had found 'appeared' to suggest Vladimir Putin had personally authorised infiltration into Trump's 2016 campaign.

Not only has this crap been comprehensively debunked, and its lead reporter Luke Harding unceremoniously humiliated, but there are innumerable facts about dates in this theory that are just wildly inconsistent with what actually happened. It speaks not only to the inalienable facts about dates in this theory that are just wildly inconsistent with what actually happened. It speaks not only to the incompetence of the Guardian's editor, Kath Viner, but to the concern that the absence of a figure to hate in Donald Trump has wrecked the Guardian's (and others') prominence – so they are reduced to squeezing out innuendo and supposition.

Insofar as South Africa's coverage of last week is concerned, an amusing realignment: both the Daily Moron and Beijing24 were before then within touching distance of the social justice model beloved by their fearful peers in New York, Vox, Daily Beast et al, wherein its highly politicised reporters refer to countries as ‘projects’ and ordinarily condemn the measures communities protect themselves with as narrow and non-inclusive. But this shifted: in his weekly attempt to ape Hugo Chavez ‘Al Presidente’, Beijing24's Kommisar on Monday wrote: ‘If there was ever any doubt that the majority of South Africans, irrespective of race, economic status or culture, are good citizens, who want a peaceful life for them and their children, it should be put to bed by the events of last week.’

This is true. It also happens to be what the ‘far-right’ AfriForum, frequently a target for ridicule by Beijing24's reporters and that wizened little chigal Max du Preez, has been saying for the last decade.

The least spoken media battle of 2021 has been the scorn that arguably the finest and most accomplished reporter of his generation, Glenn Greenwald, has blitzed upon prestige media. He has attacked the Guardian for being an establishment shill.

Simon Lincoln Reader works and lives in London. You can follow him on Substack

Read the full article here
Modernising Zuma’s rural traditionalist ANC

Jakkie Cilliers, founder and former Executive Director of the Institute for Security Studies (ISS), is a well-known Africa analyst and the author of a ground-breaking book, titled Fate of the Nation. The book, which President Cyril Ramaphosa reviewed as “Incisive, bold and sobering. A revealing forecast and a call to action” was written in 2017 and explored three alternative scenarios of South Africa: the divided nation, ‘Bafana Bafana’ muddling along and Mandela magic. BizNews founder Alec Hogg spoke to Cilliers on the BizNews Power Hour to see whether these scenarios still hold true, particularly in light of the violent riots that spread through KwaZulu-Natal and parts of Gauteng last week. Cilliers believes that what we’re looking at is a splintering of the ANC and that we face significant challenges in terms of a coordinated vision of ‘the security architecture’ of South Africa. President Ramaphosa’s biggest challenge, according to Cilliers, is modernising the ANC from the rural traditionalist party that it became under Jacob Zuma’s rule, – Nadya Swart

On applying his academic analysis to the reality in South Africa

"We use a forecasting platform known as the International Future’s forecasting platform. So, I converted the political scenarios into economic impacts. And we were, at the time, making some of the basic arguments that South Africa can do much better. But the idea of heading for 5.4 growth rates, which is what was in the national development plan, is just blatantly unrealistic. But that did require a deep and fundamental reform to get there. Of course, at the time, Covid was not on the cards, but many of the self-inflicted challenges that we face in the country were clearly on the cards – particularly around corruption, the challenges within the ANC. At the time, I made the distinction between – what I refer to as – a traditionalist faction within the ANC and the reformist faction.

At the time, Nkosazana Dlamini-Zuma was generally seen as the leader of the traditionalist faction, and the main challenge – and it remains true today – is that, for Ramaphosa to survive and for the ANC to flourish, the ANC needs deep and fundamental reform that not only takes deals of the corruption and the patronage, but modernises the party from a rural traditionalist pathway, which is where Jacob Zuma took it, to a modern, urban, non-racial party. And that challenge remains inherent to the ANC today."

On whether his analysis still aligns with the reality of the events that occurred in KZN and Gauteng last week

"Yes, it does. South Africa has the largest inequality and unemployment globally, and there is some change that will take a long time to overcome. And that is that economic growth is important. We need economic growth and employment growth in the formal sector. We can grow our informal sector, but because South Africa, by comparison, has a much smaller informal sector than most countries at comparable rates of income and so on – it is only employment growth in the formal sector that eventually reduces inequality. I actually just today released – what we refer to as – an ISS Today on security sector reform, where I looked at the challenges that we face in police intelligence and the military and the leadership thereof and set out a host of issues that South Africa needs to engage with on managing the inevitable instability and protests that we will be faced with for a number of years to come."

On a split in the ANC is close

I think we’re looking at a splintering of the ANC. The party is a shell of its former self. So even if Ace Magashule, who’s now the leader of the RET faction (whichever), were to decide he has no real support base..."

Open letter: White privilege or hard truth?

Following the chaos of the riots and looting in KwaZulu-Natal and Gauteng, it’s fair to say that many South Africans have been left with a bitter taste in their mouths. One such citizen took pen to paper in an anonymous Open Letter to Cyril Ramaphosa – currently doing the rounds on social media. As Alec Hogg writes, “in their hour of greatest need, communities whose rates and taxes keep the national wheels rolling were left to fend for themselves. Those they paid to protect them simply disappeared or stood idly by watching the methodical, fearless plundering. As a result, many in the previously silent and mostly isolated majority have found each other – and their collective voice. Their 'gatvol' factor has scaled a new peak. From cadre deployment and failed service delivery to emigration tax and xenophobia, the writer leaves no ANC stone unturned. The mysterious author even suggests that Ramaphosa makes saying ‘WMC’ or ‘1652’ a ‘hate crime, like the K-word. It’s actually every bit as insulting, and it’s flung about carelessly by ideologues who just are just plain racist,” they write.

The letter ends with:

"Do you want to stay in power? It's not actually that hard. Treat us all with respect.

Comments from BizNews community members

"Best letter Cyril will ever receive. If he is intelligent he will take notice but he lacks the emotional security needed to run a household, never mind a country. It is what it is, Cyril lacks in leadership ability," says MJ JORGENSEN.

"Naas Scholtz comments, “Awesome letter – the sentiments of the people – ANC’s and EFF’s and BLMs excluded. Hear the voice of the 50 million others. Bravo, give the writer a Bells.”

"Brilliant and points out everything normal hard-working people are saying every day," says Chris. "Get rid of the inept corrupt cadre ministers, look to Singapore, not Nigeria, you never know people might start voting for you again, comrade."

"Tracer ZA says, "The sad thing is this country really needs a coup. Just not the scum of the earth trying to take over, we already have scum of the earth running this circus. Brilliant letter, but our spineless knob of a president doesn’t give 2 shitts about anything but the ANC.""

"I haven’t read something as good as this; it shines the light on everything that’s ridiculous and pathetic in this country, more specifically, the ANC," adds Stifmeister.

"This letter smacks of racism and white privilege. Makes me want to puke, " says TB. "Get rid of the inept corrupt cadre ministers, look to Singapore, not Nigeria, you never know people might start voting for you again, comrade."

"This letter is nothing short of subliminal racism aimed at offending Africans and crafting a deceptive message that seeks to promote their opinion over the masses masked as some open letter but void of any truth. In reality, it sounds like a call to Ramaphosa to tow the white line of thinking and generally pro minorities." says JohnMnape comments. "If whites and most of the population abhor crime and looting, does that make them privileged? What’s your point other than to be racist?"

"Oh. The ever expected and standard racist cry when the truth manifests," adds Braveheart. "It’s 27 years of ANC misuse, theft, plunder and destruction that makes many many South Africans of all persuasions want to puke." Ichabod Crane adds, "Ag, shame, came too late to the mall, to grab a 65” TV! My heart is bleeding for you.”

"1) Cyril won’t read it. 2) The president does not act by himself. Decisions are made by the ANC collective. Well, they are not going to read it either. 3) Expect no change then. ‘Gatvol’ will just have to remain that,” says Harry Roper.\n
\n
President Cyril Ramaphosa. Photo Credit: GCIS

Equally, as citizens. Who defended you when it really counted. And importantly, in too many cases to mention, the best thing we’re looking at is a splintering of the masses masked as some open letter but void of any truth. In reality, it sounds like a call to Ramaphosa to tow the white line of thinking and generally pro minorities."
Magnus Heystek: How did SA get here?

Weekly, Magnus Heystek joins Alec Hogg as the BizNews Power Hour market commentator. Always full of insight, Heystek comments on the recent civil unrest in South Africa – and how it may affect your investments. Listen in on the in-depth conversation, with the Brenthurst founder speaking about the benefits of investing your money overseas.

“Everybody is now focusing on where we are as a country right now? How did we get here – which is a whole debate by itself. And, how are we going to get out of it and what needs to be done? Now, one cannot just simply dismiss that South Africa will never become a failed state. That would be quite foolish and short sighted. If you’re saying, ‘my scenario planning involves the following A, B or C,”

How does it affect the investment decision making? What can you do with the assets that you have or the assets that you will earn in the country? It’s a wide-ranging debate, looking at the various ways to plan for a very uncertain future.”

On investing your money overseas:

“We’ve been trying to convey that message of wisdom on the BizNews Power Hour market commentator. Alec Hogg as the BizNews Power Hour market commentator. Always full of insight, Heystek comments on the recent civil unrest in South Africa – and how it may affect your investments. Listen in on the in-depth conversation, with the Brenthurst founder speaking about the benefits of investing your money overseas.

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How does it affect the investment decision making? What can you do with the assets that you have or the assets that you will earn in the country? It’s a wide-ranging debate, looking at the various ways to plan for a very uncertain future.”

On investing your money overseas:

“We’ve been trying to convey that message to our clients – whom we consider to be global citizens – for a long time. As a small company we, 10 years ago, set up our own United States, Israel and in Switzerland. I was very attracted to those investments because I start to do all of these things now, after it’s all happened. It but still doesn’t bring confidence back. We’ve got to start doing things that make people hopeful, the same as we were in 1994. And I’ve said this many times on your show, there was a very strong class in 1994 until they were enticed by the trappings of capitalism and the desire to become super wealthy.”

On the ‘prescription for the future’:

“The prescription is change, very similar to what we’ve been saying – that this hasn’t worked in. These are my words now – to keep going down the same path with the same people around the same table is not going to work. And the same ideology. It’s not going to work. You have to throw that away. We have to take a different direction. That’s where I say business should come in. That’s where the voice of business should come in and say ‘we’ve had enough’.”

On the Chinese government’s crackdown on Big Tech and its effect on the Naspers stable:

“We don’t know when this is going to end. When the Chinese authorities are going to step down. So it’s not only on the pay system, they’re going systematically through businesses. The latest, the one that spooked us, has been the education story because in China, it’s very important for children to get a good education so that the government decides which universities they go to.”

On the threat of companies disinvesting from South Africa:

“The letter that struck me as very ominous was the letter by Toyota South Africa. If you know January is a long time ago, they are a major investor. That would be the signal to other companies. They might just reconsider the operations in South Africa and that will lead to a cascade of foreign investments pulling out of the country. We have to consider these issues and the way government deals with it, going forward, is incredibly important.”

On the ANC wanting to create more social grants:

“I share those sentiments. That’s exactly what government cannot do – to double down on what they’ve already been doing – which is cause to, by and large, the massive unemployment, unhappiness and anger. It was all just a compendium of problems which caused this uprising, in my view, and because of social media today, a message like that gets transmitted instantaneously across multiple platforms and there’s an uprising.”

Businesses have been very resilient - Shapiro

Alec Hogg reads R W Johnson’s

HOW LONG WILL SOUTH AFRICA SURVIVE?

Visit the BizNews shop
**Riots: Google identifies alarming search trends**

As parts of South Africa crumbled under pressure brought on by looting and rioters, panic ensued. Malls went up in smoke, small businesses were destroyed and sadly, over 200 people lost their lives. Citizens took to the streets, defending what is theirs – something the government and defence forces (police included) failed to do. Emulating the turbulent times that gripped SA during the riots, are the Google search habits. Through Google Analytics, Charles Smith of Shalzwe Communications illustrates how alarming search terms such as “how to make a bomb” and “molotov cocktails” popped in the week of civil unrest. Other search terms, including “gun”, “firearm” and “pepper spray” also became more prevalent in the violent week. – Jarryd Neves

*By Charles Smith*

With the intensity of the looting in South Africa increasing from about Monday 13th July and continuing for about a week, people took to Google to search using a number of concerning keywords such as “Molotov cocktails” and “hijackings”. Google Trends is a free service that reports on how often a particular search term is entered into Google, relative to the total search volume over a period of time, and across geographic regions. A Google Trend keyword will have a value of 0 if the search term or keyword has a low volume relative to previous searches, and 100 if it is trending, i.e., it is experiencing an increase in the average number of searches.

*By GG Alcock*

As I read the hand wringing commentary about the causes of the latest unrest being poverty, inequality, and unemployment, with solutions including Cyril’s suggestion of paying a paltry R350 monthly unemployment grant, I wonder how true this is. Is the cause of our unrest poverty and unemployment and inequality? Maybe, but I believe that the biggest issue is a culture of lawlessness. This lawlessness is epitomised by corruption without consequence or trial by the rich.” – Jarryd Neves

**How to make a bomb**

People began googling the phrase ‘how to make a bomb’ in early July 2021 with a second peak around Thursday 8th July, then on Monday 12th July.

**Molotov cocktail**

Molotov cocktail trended in KZN on the 23rd April 2021 and again on Thursday 8th July.

Keywords such as “self-defence guns”, “firearm”, “protest”, “Durban protest today” showed a dramatic increase in searches, which was expected. Pepper spray showed an increase, specifically in Northwest, Mpumalanga and KwaZulu-Natal. Another keyword ‘buy guns’ and topics around firearms increased 350% in searches.

The topic around Firearms had a 350% increase in searches

- Charles Smith is the director of Shalzwe Communications

**It’s not about poverty or unemployment: Alcock**

What drove numerous South Africans to loot, pillage and plunder? It’s no secret that Africans to loot, pillage and plunder? It’s no secret that I will bet that fewer poverty stricken people began googling the phrase ‘how to make a bomb’ in early July 2021 with a second peak around Thursday 8th July, then on Monday 12th July.

Ex-security agency, ANC members aligned with Zuma allegedly behind civil unrest

Have a look at the 2019 general household survey, only around 12% of our population live in informal dwellings (one measure of poverty), the rest live in formal dwellings. Most townships have become suburbs with a thriving and successful middle class. We have written extensively about the massive informal economy which employs or generates incomes for millions, offset that against the “formal” employment figures and then unemployment is not at the ridiculous figures quoted, which ignore anyone who does not have a payslip. Lots of studies point to this but walk through a Shoprite or Pep or mall in a township or rural area, take a drive through any township if you want confirmation.

In Hans Roslings amazing book Factfulness: Ten Reasons We’re Wrong About the World – and Why Things Are Better Than You Think, two key points relevant to this storyline are pertinent. The one is the fear instinct – in essence we pay more attention to scary things, and ignore those that are not as scary or I guess ignore the good news and focus on the bad news. How many good stories have we on social media and the media shared, vs the horror stories? How many good stories about the massive informal economy which employs or generates incomes for millions, offset that against the “formal” employment figures and then unemployment is not at the ridiculous figures quoted, which ignore anyone who does not have a payslip. Lots of studies point to this but walk through a Shoprite or Pep or mall in a township or rural area, take a drive through any township if you want confirmation.

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Lesson from riots: You’re on your own, baby!

With over 300 people dead, the riots that gripped the Gauteng and KZN provinces are among the most deadly the country has ever seen. As malls were set ablaze, shops were destroyed and gutted, as looters ransacked businesses, both big and small. As all this occurred, the police and government sat to one side, watching the chaos unfold. It’s ordinary citizens who stood up against the violence in their towns and suburbs and/or businesses from opportunistic criminals. While valiant and admirable, it’s also remarkably sad – why should citizens have to stand up and protect themselves? As William Saunderson-Meyer writes, “when confronted, the government rolled over and played dead. In several KZN towns, the SAPS barricaded themselves into their stations and had to be protected, as well as resigned with ammunition, by the citizens they were supposed to be protecting.” What’s more, this all happened in the middle of a proposed law from government, which would effectively hand firearm ownership for self-defence. “It is madness or a calculated invitation to conflagration, to reduce the ability of law-abiding citizens to defend themselves.” This story was first published on PoliticsWeb. – Jarryd Neves

By William Saunderson-Meyer

The unrest has been like a flash flood scouring a mountain. It has opened deep crevasses in some places and at others uncovered the occasional granite outcrop. It’s a storm that has irretrievably changed the contour of the South African landscape but already we pretend that things can be as they were before. They can’t and they won’t. What has happened will substantially affect everyone’s future, including those that were completely bypassed by the looting, burning and killing. I’m thinking particularly of those living in places like the Western Cape who seem smugly to dismiss the upheavals as a storm in a tribal calabash — just those pesky Zulus who every couple of decades need to let off steam in a violent outburst. It would be foolish to think that the many criminals and wannabe revolutionaries spread throughout the country haven’t learnt tactical lessons from what happened in the past fortnight. The Economic Freedom Fighters, which makes no secret of its revolutionary aspirations or its willingness to attack physically its opponents and to scapegoat minorities, is one such group. It will feel disappointed at not being able to seize any advantage from the unrest and will vow to do better next time. But the main lesson that we all need to take is one of life and death. These events are a stark reminder that in terms of the physical safety of you and your loved ones, as well as the preservation of your property and tools to earn a living, you are entirely on your own. The perpetually avuncular President Cyril Ramaphosa — a Financial Mail columnist this week describes him as having “a good heart” — has shown with his government’s orders to the SA Police Service to keep a low profile and avoid casualties, that all citizens are not equal. There is an African National Congress ranking to the value of life that, not coincidentally, follows the reality of its empowerment policies. In decreasing order of innate human value are ANC cadres, ANC supporters; black Africans; Indians, coloureds and whites. The unrest highlights that South Africa now meets one of the most important criteria of a failed state: an inability or refusal by the state to carry out its primary function of protecting its citizens. When confronted, the government rolled over and played dead. In several KZN towns, the SAPS barricaded themselves into their stations and had to be protected, as well as resupplied with ammunition, by the citizens they were supposed to be protecting. At no stage did the SAPS take the most basic actions against the looters, a security expert pointed out to me. The two most viable weapons for mob control are water cannon and tear gas. Rubber bullets are way down the list. “If you want to clear out an enclosed area like a shop or mall, a single canister of tear gas is all it takes. Disregarding water cannon for the moment, in all the hundreds of shots on television, did you see even one tear gas canister fired?” The other unlikely “protectors of democracy” were the taxi mafia. After decades of using assassination and arson to eliminate competitors and to wring concessions from the government, the taxi bosses were momentarily put at bay when they discovered, out of self-interest, to prevent looting during the later stages of the unrest.

It was a disquieting reflection of where lies the real balance of power and creditability of intent in South Africa. One could watch on television how three taxis containing half a dozen men were easily able to interdict a rampaging mob from attacking a shopping mall, while a much larger force of nominally better armed and trained SAPS officers had about much deterrent effect as a row of display mannequins in a shop window.

Niemöller: Open Letter to Ramaphosa 2.0

The Open Letter to Ramaphosa penned last week by a BizNews community member captured the zeitgeist, having been read by more than a quarter million people within a few days. The video had over 75,000 downloads in the first 24 hours. On the assumption that you can never start reading the Riot Act to provincial public order to the SA Police Service to keep a low profile and avoid casualties, that all citizens are not equal. There is an African National Congress ranking to the value of life that, not coincidentally, follows the reality of its empowerment policies. In decreasing order of innate human value are ANC cadres, ANC supporters; black Africans; Indians, coloureds and whites. The unrest highlights that South Africa now meets one of the most important criteria of a failed state: an inability or refusal by the state to carry out its primary function of protecting its citizens. When confronted, the government rolled over and played dead. In several KZN towns, the SAPS barricaded themselves into their stations and had to be protected, as well as resupplied with ammunition, by the citizens they were supposed to be protecting. At no stage did the SAPS take the most basic actions against the looters, a security expert pointed out to me. The two most viable weapons for mob control are water cannon and tear gas. Rubber bullets are way down the list. “If you want to clear out an enclosed area like a shop or mall, a single canister of tear gas is all it takes. Disregarding water cannon for the moment, in all the hundreds of shots on television, did you see even one tear gas canister fired?” The other unlikely “protectors of democracy” were the taxi mafia. After decades of using assassination and arson to eliminate competitors and to wring concessions from the government, the taxi bosses were momentarily put at bay when they discovered, out of self-interest, to prevent looting during the later stages of the unrest.

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Follow William Saunderson-Meyer on Twitter @TheLaundicedEye

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My letter to you last week seemed to reflect what quite a few people were thinking, but no one had said aloud. At least not to you. Not that you have nothing else on your plate, but I have a bit more to say. Forgive my frankness. It is — or at least was — the South African way. On the positive side, you won’t have to read between any lines. So here is some more advice you may care to hear. Start arresting more people for planning this insurrection. Sorry. We don’t want the NPA to mess it up, but for goodness sake, how much evidence do you need? The Zuma daughter incited violence. It’s on Twitter. Go get her. Her twin encouraged people to “loot responsibly”. He really did. It’s on YouTube. It’s inconceivable that nothing has been done about them. And particularly the now-famous “12”. I’m sure there are others. Many of them. Declare a State of Emergency in KZN if you still feel anxious about the temperature on the ground. It doesn’t have to be a national one. It’s not draconian, it’s sensible. They’re a problem, and we all know it. Reshuffle the Cabinet for crying out loud. The RET brigade lost. They have very little popular support, and almost none from the very large middle ground. Your long game is over now. Surely you can muster up enough professionals with political clout to protect you as you pursue your laudable, incompetent, ineptual people?

Start reading the Riot Act to provincial public prosecutors. Because while we’re on the subject of arrests, why haven’t obvious crooks been arrested yet? Like certain politically connected thieves involved in the outrageous rip off at VBS.
Security forces betrayed & deserted us: Veness

It was during the height of the chaos in KwaZulu-Natal that BizNews last spoke with Melanie Veness, head of the Pietermaritzburg Business Chamber. Frightening for those affected, it now seems as if the worst might be behind for the city and other areas. But what about the cost? Veness told BizNews founder Alec Hogg that so far, the estimated cost to KZN alone is about R20 billion. “Some [business owners] have said they will start up again. Others have said, as soon as they get their payout, they’re taking their money and leaving.” – Jarryd Neves

On the estimated damage
“We’re still counting our losses here. I think they’ve estimated that in the KZN province, we’re looking at about R20 billion, which is significant. We’re still adding it up. But, if you start adding the numbers up it’s millions and millions. A R150 million here, R210 million there. The list just goes on and on. There’s some still outstanding. Obviously, some of the buildings still need assessing. The stock itself cost a huge amount, but the building damage is significant. It’s still unclear to me why you have to set fire to something you’ve already looted.”

On whether business owners in PMB are going to reinvest
“At least some of them say they will start up again. Others have said [that] as soon as they get their payout, they’re taking their money and getting out of here – [and] you can hardly blame them. Some of those businesses have lost absolutely everything, so they will be paid off for all their equipment and buildings. My heart breaks for the employees, because one of the businesses that I’m particularly thinking of, was I there the morning after the looting, and the employees all braved the crowds and came through to help clean up. My heart absolutely breaks for both sides of the equation. It was very hurtful because we had a lot of businesses. It wasn’t just that they were looted. They were angrily destroyed. Attempts were made to set them on fire. There were terrible spray paint all over the vehicles that remained [and] all over the walls. There was defacement in building. It was absolutely heartbreaking and horrible. You’ve chosen to take your all and invest it in a place and you come into that. To a large degree, we were betrayed and deserted by security forces and some of our politicians. You can’t get away from that now. Everybody is coming up now and saying, you know, what a terrible thing. Where was everyone when we needed them?”

On the lack of effort to prevent further looting and rioting
“There doesn’t seem to be too many other explanations for it other than complicity. We saw people standing, watching it happening. In fact, there are some that have been caught partaking. There wasn’t any real effort. As I said previously, the excuses given was that there were too many people [and] they were overwhelmed – but there was no attempt to use any form of tear gas – it just didn’t happen. For me, the only answer is that there was complicity and that absolutely destroy’s one.”

A burnt-out grocery store following rioting in Soweto. Bloomberg

By Jonathan Katzenellenbogen

The recent mass violence in Gauteng and KwaZulu-Natal took government by surprise. But despite the surprise, the signs are that it won’t be a wake up call that will bring about decisive changes.

The government is more likely to double down on its political inability to do so will be entirely confirmed. The drags on reform are the party’s need for patronage and jobs to retain and grow its support base, and its inability to listen. Government has to be aware that with slower growth and rising unemployment violent social unrest has risen fast since 2008. That alone should have acted as an alarm bell over a considerable period. They also must be aware of how police dockets go missing and many crimes go unsolved, not to mention widespread lawlessness. Yet, ANC policy is unchanging except for plans to expand the role of the state, whether it be through Expropriation without Compensation or a National Health Insurance scheme.

Jonathan Katzenellenbogen. Image published courtesy of The Daily Friend

When you think about what it means – what does it mean for the future of our province? If you’re considering putting your money back here, you’re asking yourself, “if this happens again, will the same thing happen? Will nobody step up and defend my business, my property and my employees livelihood?” If people employed by the state are not prepared to protect that, then you’re on a hiding to nothing.”

On what would have happened if civilians didn’t defend businesses and property
“If they hadn’t done it, the damage would be far more extensive. They had the courage to stand up and protect what they could see would be our future food sources and our local businesses – because that’s our livelihood. What do we do if we’ve got no economy and it’s been totally destroyed? there really was no police or army presence to speak of. In fact, it took so long for the army to get to that even at the end – when we were supposed to have so many forces on the ground – they were protecting government infrastructure. It wasn’t as if a massive army group moved in and took control. If it wasn’t for those communities, we would have been in a much worse state. I do understand there was some criticism levelled at some of the roadblocks. There was an undercurrent on social media that, I think, was being driven [with] a racist kind of undertone to what was happening. But on the ground, that was actually not occurring at all. A lot of what was coming out on social media was proven to be untrue. Communities stood together.”

Government’s failure lies in inability to listen

A s riots and looting devastated parts of Gauteng and KZN provinces, government was taken aback, in shock that something like this could happen. Many have been warning that this was bound to happen, the poor revolting against a system that fights them. In fact, according to Jonathan Katzenellenbogen, civil unrest has been growing steadily since 2008. Despite this, no substantial work has happened. Many have been warning that this would happen, the poor revolting against a system that fights them. In fact, according to Jonathan Katzenellenbogen, civil unrest has been growing steadily since 2008. Despite this, no substantial work has been done to improve state education, create employment or even provide decent housing for the millions of South African’s who go without the bare minimum. “ANC policy is unchanging except for plans to expand the role of the state, whether it be through Expropriation without Compensation or a National Health Insurance scheme,” writes Katzenellenbogen. Even now, government – who failed to protect thousands of businesses and many more people – is yet to admit they’ve failed the country, harming the economy in the process. “The story government would have preferred from the agencies is of a dozen instigators plotting the violence. It certainly would not like to hear that something that might suggest the people are against us and there is a massive problem of lawlessness.” – Jarryd Neves