

## Prospects following South Africa's 2019 elections

Regional economic and political leader, G20 member, and elected to a United Nations Security Council seat in 2019 for the third time since the end of apartheid, South Africa is a strategic EU partner. Recognised as one of only two full democracies on its continent in the 2018 Democracy Index, South Africa nevertheless faces considerable problems, affecting both the economy and a fragile social fabric still affected by its apartheid history. The governing party's election success comes as no surprise, although its falling popularity increasingly puts its ability to address South Africa's challenges into question. In this context, a revived EU-South Africa strategic partnership could provide a framework for enhanced cooperation in sensitive policy areas.

### Ruling party: historical leader in a difficult position

The African National Congress (ANC), in power since the first democratic, free election in 1994, has been subject to corruption and mismanagement allegations, leading to President Jacob Zuma's resignation in February 2018. Despite faltering support in 2014 and again in 2019, the party has maintained its [majority](#) for six consecutive terms, securing [57.5%](#) of the vote on 8 May 2019, translating into 230 seats in the National Assembly. However, the ANC not only faces competition from the main opposition parties, including the liberal Democratic Alliance and the far-left Economic Freedom Fighters (EFF), but also deep internal divisions. The [delicate exercise](#) of maintaining equilibrium between the two main factions – the pro-Zuma coalition, advocating continuation and expediting of the ex-president's 'strong state' economic policies, and current President Cyril Ramaphosa's faction, focused on eradication of corruption and relaunch of the economy through increased foreign investment – risks paralysing the government's ability to implement its electoral promises.

### Socio-economic challenges

#### Inequality

Post-apartheid South Africa is one of the [most unequal](#) countries in the world. The top 10% of the population, capturing almost two-thirds of national income in 2014, have comparable living standards to the richest 10% in Europe, while 90% of South Africans live in similar conditions to the poorest 15% in Europe. South African dualism results in widespread poverty: more than half of the 56 million population live under the national poverty line, while [one quarter](#) (mostly black) lives in extreme poverty (less than US\$1.25 a day). Income disparity coexists with strong variations in education levels and discrimination in access to health and the labour market. Excessive inequality is considered one of the key [causes](#) (together with high (male) unemployment and rapid urbanisation) of high crime rates, with [murder rates](#) increasing for the sixth consecutive year, directly affecting human security and deterring business and tourism.

#### Land issue

[Land ownership](#) in South Africa reflects the country's apartheid legacy: 72% of land is in the hands of white citizens, who constitute 9% of the overall population, while black citizens (79% of population) own 4% of arable land. The government is increasingly criticised for its incapacity to implement land reforms, and the rise of the opposition EFF party, [calling](#) for collective land ownership, has led the ANC to toughen its policy. In 2018, the constitutional [reform process](#) necessary to allow expropriation of land without compensation began to raise concerns not only with the white farmers, primarily targeted by this measure, but also among [mining groups](#) facing claims by local populations, as well as among [traditional Zulu kings](#) who manage indigenous land for 18 million of their subjects. Critics fear a subsequent drastic fall in agricultural productivity, undermining food security (the 'Zimbabwe scenario'), and a slowing of foreign investment.

#### Corruption

'[State capture](#)' is often used to describe the widespread culture of corruption that manages to shape – through illicit and non-transparent private payments to public officials – South Africa's policy, legal environment and economy, for private gain. Prospering during President Zuma's rule, such 'state capture'

undermines South Africa's [competitiveness](#), hampers foreign investment and the performance of state owned enterprises (SOEs). This affects the delivery of [basic services](#), including water and [electricity](#), where supply interruptions are frequent.

### **Rampant xenophobia and its impact on migration policy**

South Africa, a top [destination](#) for intra-African migration, hosts more than [4 million](#) migrants, including 2.2 million intra-African migrants. The country has permanent bilateral agreements on working visas with several Southern African Development Community (SADC) states and in parallel faces large irregular cross-border movements and resulting levels of informal employment. While formulating its migration policy, the government has to [balance](#) between its endorsement of the African Union's advanced approach to development, migration, and the widespread hostility towards migrants accused of 'stealing jobs' by a population severely affected by unemployment. The [resulting](#), rather inconsistent policy pays lip service to the African Union's positive migration approach, which is rooted in an African-centred foreign policy, while introducing restrictive measures to deter low-skilled intra-African migration. South Africa experiences recurrent bouts of violence against migrants, such as the [March 2019](#) attack that resulted in six deaths and the displacement of 300 Malawian migrants. [Criticised](#) for its failure to protect migrants, the government launched a national [action plan](#) in March 2019, to combat xenophobia, racism and discrimination.

### **EU-South Africa relations**

Since 2007, South Africa is a [strategic EU partner](#) and the EU is South Africa's first investment, trading and development partner, accounting for a quarter of South Africa's trade and three-quarters of its foreign direct investment.

### **Legal framework**

In force since 2004, the South Africa-EU Trade, Development and Cooperation Agreement (TDCA) is built on three pillars: trade, development aid and cooperation, including on economic and social matters; and resulted in a sharp (+77 %) increase in the trade of goods between the partners. The EU-SADC Economic Partnership Agreement (between the EU and South Africa, Botswana, Lesotho, Mozambique, Namibia and Swaziland) came into force provisionally on 10 October 2016, pending [ratification](#) by Member States. It provides additional liberalised market access for South Africa to the EU, and uniform trade terms for the South African Customs Union.

### **Development aid**

Following the EU's 2011 Agenda for Change, which refocused funding on the world's poorest countries, EU (institutions) aid to South Africa dropped from €980 million in 2007-2013 to [€268](#) million in 2014-2020. The EU's official development aid (ODA) focuses on [three sectors](#) of particular importance to address South Africa's challenges: employment creation; education, training and innovation; and state-building, enhancing state capacity to provide services to citizens. Two [programmes](#) of key importance – the [Employment promotion through small, micro and medium enterprise support programme for South Africa](#) (€52 million), and the [Enhancing legislature oversight programme](#) (€10 million) – were launched in 2018. A range of projects also focuses on raising the currently extremely uneven quality of education in South Africa. Around 800 South African graduate students and academics have participated since 2011 in the Erasmus Mundus programme. The opportunities for academic mobility and cooperation projects are even broader under the ongoing [Erasmus+](#) programme (€36.7 million for 2014-2020 for [South Africa](#)).

### **Way forward**

Both strong advocates of multilateralism, the EU and South Africa have much room for cooperation in global fora, where they often [demonstrate similar viewpoints](#) in areas such as climate change, human rights and migration. Fighting unemployment, providing quality education, and capacity-building should remain, according to many [commentators](#), at the core of EU-South Africa cooperation, while there is potential to deepen it on macroeconomic issues, public finance management, and cooperation on illicit financial flows in addition to peace and security cooperation, and fighting corruption.

The European Parliament and its South African counterpart have developed strong working relations. Regular South Africa-EU Inter-Parliamentary Meetings ([IPM](#)) allow exchanges fostering a common understanding of key topics of mutual interests. The last meeting ([2018](#)) discussed climate change implications for South Africa, means to foster job creation, and ongoing land reform plans, and also acknowledged the central role of education.

