

South Africa: Electricity outages compound ANC government crisis

Jean Shaoul**20 January 2023**

African National Congress (ANC) President Cyril Ramaphosa was forced to abandon his planned trip to the World Economic Forum's (WEF) annual meeting in Davos. His government faces growing anger over the widespread power outages by Eskom, the state-owned electricity company that generates that 90 percent of South Africa's power.

Last week, Eskom announced its worst ever power cuts are set to last indefinitely, surpassing last year's record when it imposed at least 100 days of rolling blackouts that left factories, workplaces, schools, hospitals and households without electricity for up to 11 hours a day. The power cuts are believed to be costing around \$235 million a year.

With an unemployment rate of 33 percent, many have lost their income. The streets remain unlit, traffic lights don't work and there is massive disruption on the roads, while railways have almost ceased to function. Frustration and anger have grown as workplaces are forced to close, food has rotted amid disrupted supply chains, and crime has soared, all conditions aggravated by the severe heat of the southern hemisphere summer and lack of water.

Adding to workers' fury, the regulatory authorities have allowed Eskom to raise its prices by up to one third over the next two years as it faces insolvency. This comes as South Africa's annual inflation rate is running at 7 percent in December, its highest rate since the rise in global food prices in 2008-09, with basic foods prices increasing by 12 percent over the last year. A loaf of white bread now costs 16.18 rand compared with 13.55 a year ago and the price of fuel has risen by 56.2 percent.

The rand has fallen from 15 to the US dollar to 17 in the last year, amid fears that instability could hold back the "reforms" demanded by the international financial institutions and markets as national debt rises to 84 percent of GDP. The South African central bank has sought to shore up the rand by raising interest rates seven

times in the last year and is expected to raise them again this month.

People have taken to the streets after being left without electricity for more than 40 hours. In the eastern port city of Durban, residents put tyres and trees along the road and set them alight.

In a bid to alleviate Eskom's financial crisis and allow it to import diesel to run its power stations, the ANC government has announced it will take over most of its \$25 billion debts.

The company's problems are a devastating indictment of the ANC, which—along with the National Union of Mineworkers of South Africa (NUM), the country's largest and most powerful trade union co-founded by Ramaphosa, and the Stalinist South African Communist Party—sought to suppress black South African workers' struggles and prevent a revolutionary struggle against the hated apartheid regime, thereby ensuring the survival of South African capitalism. Its policy of "black empowerment" was a cynical cover for anti-working-class politics aimed at creating a thin layer of black capitalists, of whom Ramaphosa, one of South Africa's richest men, has been a prime beneficiary.

While the coal industry was previously under the control of large, white-owned corporations, after the ANC came to power in 1994, black businessmen were steadily given ownership of more than half the industry along with many associated activities. Its operations are subject to widespread racketeering as criminal gangs divert coal bound for power stations and sell it abroad for a far higher price, sending discarded inferior coal—mixed with rock and scrap—to the power stations that wrecks the generators.

Eskom and the coal industry have created vast fortunes for a handful of black business leaders at the expense of workers forced to pay extortionate prices for electricity.

The ANC, whose interests are inextricably bound up

with Eskom's monopoly and the commercial viability of coal, has until recently restricted Eskom's supply from private providers, including suppliers of other sources of energy, and its ability to purchase diesel. Eskom now operates just half of its nominal capacity.

Andre de Ruyter, Eskom's outgoing chief executive, famously declared that when he took on the job in 2020, he was congratulated on becoming "the head of South Africa's biggest crime syndicate." Having failed to clean up the corruption, de Ruyter has resigned citing a lack of political support. Police are now investigating claims that he was poisoned, by drinking a cup of coffee laced with cyanide.

ANC chair and Mining Minister Gwede Mantashe, who declares himself a "coal fundamentalist," opposed to renewable energy such as solar and wind power, even accused Eskom of seeking the overthrow of the government.

The power outages have vastly exacerbated the political crisis of Ramaphosa and the ANC. Last year's local elections saw the ANC lose its majority amid increasing anger over its corrupt rule, while opinion polls show the ANC's support declining further as next year's elections approach.

At last year's May Day rally in Rustenburg, a major mining centre, where he was the Confederation of South African Trade Unions' (COSATU) guest of honour, Ramaphosa was booed off the stage by striking gold miners at Sibanye-Stillwater. There have been strikes and protests over the cost of living, power outages and widespread unemployment, forcing COSATU and the rival South African Federation of Trade Unions (SAFTU) to call a "mass stay away" of non-essential workers last August demanding the ANC take action.

Ramaphosa managed to retain his leadership of the party in December despite a damning parliamentary report into the theft of a vast sum of cash at his Phala Phala game farm that recommended a parliamentary investigation.

Calls are growing for a national shutdown in opposition to Eskom's blackouts and 18.6 percent electricity tariff hike in April and a further 12.74 percent hike this year. John Steenhuisen, leader of the largest opposition party, the Democratic Alliance, said his party was organising a march to ANC headquarters in the commercial capital Johannesburg against the "ANC-engineered crisis."

Economic Freedom Fighters leader Julius Malema, a former leader of the ANC's youth section, declared, "We are our own liberators; we must remove the ANC from

power but even before that, Ramaphosa must fall with immediate effect and failure to do that, we must push him out of office."

South African workers should place no trust in these capitalist politicians. The country's entire history since the collapse of the apartheid regime has demonstrated the need for an entirely different political perspective and programme. As workers around the world come into struggle against the capitalist class, the conditions are emerging for a unified struggle to overthrow and replace all the African bourgeois regimes that took power after the formal end of colonial rule.

Then as now, the decisive question is the forging of a revolutionary leadership to secure the political independence of the working class, in an implacable struggle against all those forces that seek to maintain the grip of one or other wing of the ruling elite, unifying the struggle of African workers with that of their brothers and sisters internationally, above all in the imperialist powers, against capitalism and for socialism.

This is the perspective of permanent revolution fought for by the International Committee of the Fourth International (ICFI). The ICFI calls for the construction of rank-and-file committees in workplaces, coordinated nationally and internationally through the International Workers Alliance of Rank-and-File Committees to give political and organizational expression to the developing global movement of the working class, and the building of a South African section of the ICFI to provide the political leadership necessary to conduct this struggle.



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