

**ADVISORY:**

**20 changes to South Africa's Cabinet:**  
*All you need to know*

<b>CABINET RESHUFFLE</b>			
<b>Ministers</b>		<b>Deputy Ministers</b>	
<b>OUT</b>	<b>IN</b>	<b>OUT</b>	<b>IN</b>
<b>Faith Muthambi</b> Minister of Communications	→	<b>Ayanda Dlodlo</b> Deputy Minister of Arts and Culture	<b>Rejoice Mabudafhasi</b> Deputy Minister of Arts and Culture
<b>Tina Joemat-Petterssen</b> Minister of Energy	→	<b>Mmamoloko Kubayi</b> Deputy Minister of Communications	<b>Thembisa Stella Ndabeni-Abrahams</b> Deputy Minister of Communications
<b>Pravin Gordhan</b> Minister of Finance	→	<b>Malusi Gigaba</b> Deputy Minister of Finance	<b>Mcebisi Jonas</b> Deputy Minister of Finance
<b>Malusi Gigaba</b> Minister of Home Affairs	→	<b>Hlengiwe Mkhize</b> Deputy Minister of Trade and Industry	<b>Mwzandile Masina</b> Deputy Minister of Trade and Industry
<b>Nathi Nhleko</b> Minister of Police	→	<b>Fikile Mbalula</b> Deputy Minister of Police	<b>Maggie Sotyu</b> Deputy Minister of Police
<b>Ngoako Ramathlodi</b> Minister of Public Service and Administration	→	<b>Faith Muthambi</b> Deputy Minister of Public Enterprises	<b>Gratitude Magwanishe</b> Deputy Minister of Public Enterprises
<b>Thulas Nxesi</b> Minister of Public Works	→	<b>Nathi Nhleko</b> Deputy Minister of Public Service and Administration	<b>Ayanda Dlodlo</b> Deputy Minister of Public Service and Administration
<b>Fikile Mbalula</b> Minister of Sport and Recreation	→	<b>Thulas Nxesi</b> Deputy Minister of Small Business Development	<b>Elizabeth Thabethe</b> Deputy Minister of Small Business Development
<b>Derek Hanekom</b> Minister of Tourism	→	<b>Tokozile Xasa</b> Deputy Minister of Telecommunications and Postal Services	<b>Hlengiwe Mkhize</b> Deputy Minister of Telecommunications and Postal Services
<b>Dipou Peters</b> Minister of Transport	→	<b>Joe Maswanganyi</b> Deputy Minister of Tourism	<b>Tokozile Xasa</b> Deputy Minister of Tourism
			<b>Thembisa Stella Ndabeni-Abrahams</b> Deputy Minister of Tourism
			<b>Elizabeth Thabethe</b> Deputy Minister of Tourism

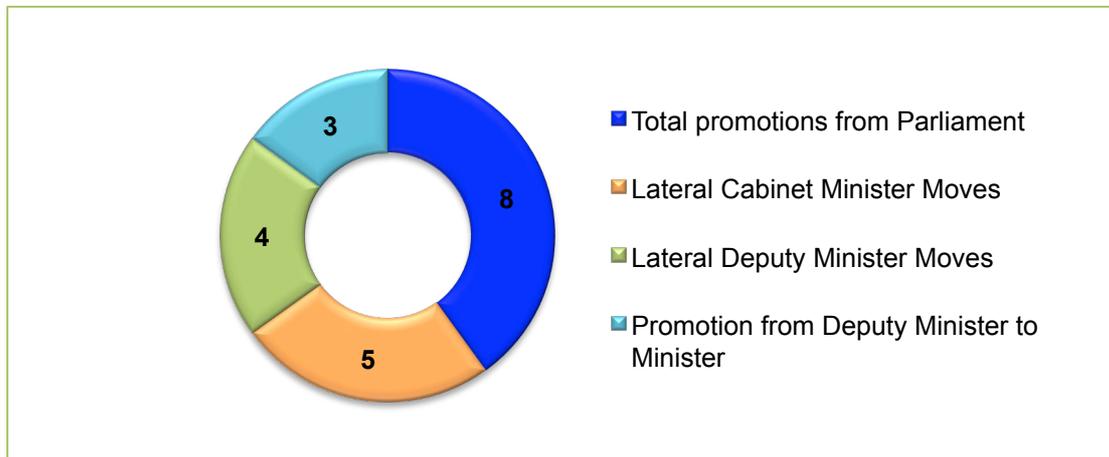
Courtesy: News 24 and Eye Witness News

## HOW IT WENT DOWN

- In the late hours of the evening of 30 March 2017, the Presidency of the Republic of South Africa issued an alert that it would make an announcement related to changes to the National Executive.
- Just after midnight on 31 March 2017, the Presidency issued a statement announcing President Jacob's Zuma's appointment of 10 new Cabinet Ministers and 10 new Deputy Ministers.
- According to the statement, 20 changes to the National Executive were made "in order to improve efficiency and effectiveness" and "bring some younger MPs and women into the National Executive in order to benefit from their energy, experience and expertise".
- In total 5 former Cabinet Ministers and 2 former Deputy Ministers have been completely removed from the National Executive. At present, they do however remain Members of Parliament. At this stage, none have indicated any intention to resign from Parliament and have thus retained their seats.
- The new Ministers and Deputy Ministers who have been appointed have been issued a clear directive by President Jacob Zuma to work tirelessly with other Cabinet members to bring about radical socio-economic transformation and delivery of the party's electoral mandate.
- Some former Cabinet Ministers and Deputy Ministers have been relieved of their duties, while others have been moved laterally. In addition, a number of new Ministers and Deputy Ministers have been promoted from the benches of Parliament. These MPs can however be removed from the party's Parliamentary list as they are deployed to Parliament by the party through an internal party political electoral system and not directly elected to Parliament by the electorate.
- The announcement brought to conclusion many months of speculation about an imminent Cabinet reshuffle in the midst of various allegations, adverse legal proceedings and governance and service delivery lapses against the President, Cabinet Ministers and key institutions.
- It unceremoniously saw the Minister of Finance Mr. Pravin Gordhan being recalled from a routine post-budget international investor road show by the President, a few days ahead of the announcement of changes to Cabinet.
- Upon the news of the imminent Cabinet reshuffle and the potential removal of Mr. Pravin Gordhan as a key target, the South Africa Rand had already weakened around 4% to the US Dollar.
- At 18h00 on 30 March 2017, the Rand was trading at R12.81 to the US Dollar. By 22h26, the current had weakened to R13.27 before dropping further to R13.35 at 23h28.
- By the time the Minister of Finance was removed by the President and his successor announced, the South African Rand has fallen to its weakest level against the US Dollar since the 10<sup>th</sup> March 2017. At 07h00 on the morning after the confirmed announcement of the Cabinet shake-up, the Rand was trading at R13.57 to the US Dollar.

- At 18h11 on Friday 31<sup>st</sup> March 2017, the Rand was calculated to have weakened 8% against the US Dollar over the past week. This is the biggest weekly drop since 2015 when the then Minister of Finance, Mr. Nhlanhla Nene was summarily removed from his position by President Jacob Zuma.

## THE CABINET RESHUFFLE AT A GLANCE



## WHO'S IN AND WHO'S OUT

The following changes were announced by the Presidency:

Ministers	Deputy Ministers
<b>Minister of Energy</b> Ms Mmamoloko "Nkhensani" Kubayi	<b>Deputy Minister of Public Service and Administration</b> Ms Dipuo Letsatsi-Duba
<b>Minister of Transport</b> Mr Joe Maswanganyi	<b>Deputy Minister of Finance</b> Mr Sifiso Buthelezi
<b>Minister of Finance</b> Mr Malusi Gigaba	<b>Deputy Minister of Public Enterprises</b> Mr Ben Martins
<b>Minister of Police</b> Mr Fikile Mbalula	<b>Deputy Minister of Arts and Culture</b> Ms Maggie Sotyu
<b>Minister of Public Works</b> Mr Nathi Nhleko	<b>Deputy Minister of Trade and Industry</b> Mr Gratitude Magwanishe
<b>Minister of Sports and Recreation</b> Mr Thembelani Nxesi	<b>Deputy Minister of Communications</b> Ms Thandi Mahambehla
<b>Minister of Tourism</b> Ms Tokozile Xasa	<b>Deputy Minister of Tourism</b> Ms Elizabeth Thabethe
<b>Minister of Public Service and Administration</b> Ms Faith Muthambi	<b>Deputy Minister of Police</b> Mr Bongani Mkongi
<b>Minister of Home Affairs</b> Prof Hlengiwe Mkhize	<b>Deputy Minister of Telecommunications and Postal Services</b> Ms Stella Ndabeni-Abrahams
<b>Minister of Communications</b> Ms Ayanda Dlodlo	<b>Deputy Minister of Small Business Development</b> Ms Nomathemba November

## THE PARLIAMENTARY CONVEYOR BELT

All of the President's appointments are sitting Members of Parliament. 8 of these are new arrivals to the Cabinet elevated directly from the Parliamentary benches.

Appointee	Deputy Ministers
<b>Minister of Energy</b> Ms Mmamoloko "Nkhensani" Kubayi	Chairperson of the National Assembly Portfolio Committee on Telecommunications and Postal Services
<b>Minister of Transport</b> Mr Joe Maswanganyi	Member of the Portfolio Committee on Transport
<b>Deputy Minister of Public Service and Administration</b> Ms Dipuo Letsatsi-Duba	Chairperson: Portfolio Committee on Public Enterprise
<b>Deputy Minister of Finance</b> <i>Mr Sifiso Buthelezi</i>	Member of the National Assembly Standing Committee on Finance.
<b>Deputy Minister of Public Enterprises</b> Mr Ben Martins	Chairperson: National Assembly Portfolio Committee on Public Works
<b>Deputy Minister of Communications</b> Ms Thandi Mahambehlala	Member of the National Assembly Portfolio Committee on Telecommunications and Postal Services, as well as alternate to the Portfolio Committees on Energy and Small Business Development
<b>Deputy Minister of Police</b> Mr Bongani Mkongi	Whip of the National Assembly Portfolio Committee on Trade and Industry
<b>Deputy Minister of Small Business Development</b> Ms Nomathemba November	Member of the National Assembly Portfolio Committee on Small Business Development

## LATERAL CABINET MOVES

5 Cabinet Ministers have been re-deployed to new Cabinet positions. These are:

Minister	Previous Portfolio	New Portfolio
<b>Mr Malusi Gigaba</b>	Home Affairs	Finance
<b>Mr. Fikile Mbalula</b>	Sport and Recreation	Police
<b>Mr. Nathi Nhleko</b>	Police	Public Works
<b>Mr. Thembalani Nxesi</b>	Public Works	Sport and Recreation
<b>Ms Faith Muthambi</b>	Communications	Public Service and Administration

## THE BIG WINNERS

**Mr. Malusi Gigaba:** *Minister of Finance*

He is regarded as a close ally of President Zuma. He is a former President of the ANC Youth League and has served in Cabinet under three Presidential terms. Mr. Gigaba served as Home Affairs Minister since May 2014. He previously held the post of Public Enterprises Minister in 2010 and prior thereto was the Deputy Minister of Home Affairs to Dr. Nkosazana Dlamini-Zuma. Dlamini-Zuma recently returned to South Africa after completing her tenure as the Chairperson of the African Union Commission and publicly entered the leadership succession battle for the Presidency of the ANC. Gigaba's appointment therefore paves the way for him as a natural candidate for Finance Minister under a potential Dlamini-Zuma presidency in 2019.

**Ms Sfiso Buthelezi:** *Deputy Minister of Finance*

Mr. Buthelezi was sworn in as a Member of Parliament in April 2016 following President Jacob Zuma's removal of then Finance Minister Nhlanhla Nene. Buthelezi was then swiftly appointed to the National Assembly Standing Committee on Finance. Since then, he has been with rumoured claims that he would succeed outgoing Deputy Minister of Finance, Mcebisi Jonas. Buthelezi was the Chief Operations Officer for Makana Investment Corporation Limited and Chairman for Sihayo Investments Limited, a Director for Kaya FM and a Chair for Passenger Rail Agency of South Africa (PRASA). He has been a member of the ANC for over 30 years and was imprisoned on Robben Island. He served as President Jacob Zuma's between 1994 and 1999, when Mr. Zuma was the MEC for Economic Development in the KwaZulu-Natal Provinces. He also served as the advisor to ANC stalwart Mathews Phosa when he was the Premier of the Mpumalanga Province during the same period. He hails from the Mahlabathini region in the KwaZulu-Natal Province. He is an economist who holds master's, honorary and BCom degrees in economics.

**Ms Mmamoloko "Nkhensani" Kubayi:** *Minister of Energy*

Ms Kubayi served as a Regional Executive Member of the African National Congress Youth League (ANCYL) in the Greater Johannesburg region. She subsequently became a Deputy Provincial Secretary of the ANCYL in Gauteng province. Kubayi previously held the position of Deputy Chief Whip of the ANC in Parliament and as Chairperson of the National Assembly Portfolio Committee on Telecommunications and Postal Services. Kubayi's appointment places her at the centre of current initiative to structure South Africa's future energy market – a key prior of Government's 9 Point Plan for accelerate economic growth and recovery. Her appointment comes a mere 24 hours after Cabinet decided to proceed with the fracking of shale gas, subject to expediting the finalisation of amendments to the Mineral and Petroleum Resources Development Act to enable shale gas exploration. Kubayi will also be politically responsible for implement any future decision on whether or not to implement a new large-scale nuclear procurement programme for energy production purposes in partnership with global nuclear superpowers.

## **POLITICAL ANALYSIS AND INTERPRETATION OF RESHUFFLE**

### **The Constitution of the Republic of South Africa**

Chapter 5 of the Constitution of the Republic of South Africa entitled the "The President and the National Executive", Section 91(1) empowers the President as the head of Cabinet, to appoint the Deputy President, Minister and Deputy Ministers, assigning their powers and functions and may dismiss them.

However, there has been widespread condemnation and outcry from various political quarters, the business sector, civil society formations and political parties that extensive changes to the Cabinet by President Jacob Zuma have been amounted to an abuse of the powers and privileges conferred upon by the President by the Constitution.

This is driven by concerns over the real motivation, rationale and reasons for the extensive changes effected to the Cabinet. This includes the removal of the Minister and Deputy Ministers in key portfolios such as the Finance Ministry and where these Members of the Executive have been performing their duties.

### **Political balance of forces with the African National Congress (ANC)**

This Cabinet reshuffle is a clear attempt to realign and consolidate the balance of forces within the ruling African National Congress (ANC) at various levels and structures (i.e. Government, Cabinet and Parliament), in favour of the political factions that have and continue support President Jacob Zuma in the implementation of ANC and Government's socio-economic transformation agenda.

The ANC is unanimous in the political imperative for the pursuit of accelerating more effective socio-economic transformation and state intervention in the economy. The divergence around how this is to be achieved is the result of continued wide-ranging disagreement between the political factions supporting the President Zuma and those coalescing around other political leaders. This nub of disagreement centers around how best to leverage and use the instruments available to the State for the purposes of implementing what has become known as 'radical socio-economic transformation'. This includes the allocation and prioritisation of state budgets and resources, state institutions and apparatus, public procurement, legislative and regulatory interventions and licensing.

### **Pathway to the ANC National Policy and Elective Conferences**

The timing of the Cabinet reshuffle is noteworthy ahead of preparations for the governing ANC's 5 National Policy Conference (30 June – 5 July).

The Conference is a mid-term review of the ruling party's policies and its implementation by the ANC-led Government. The culmination of the conferences' draft policy resolutions will reflect the balance of forces and political sentiment within the governing party and its alliance partners. These will be tabled for final adoption and resolution by the party at its National Conference (16 – 20 December 2017), whereby the party will elect its next National Executive Committee, Top 6 Officer Bearers and crucially party President (and therefore the party's presidential candidate for the 2019 general elections).

ANC Head of Policy and Minister in the Presidency responsible for National Planning, Monitoring and Evaluation, Mr. Jeff Radebe has indicated that all policy resolutions adopted by the party will be effective from 21 December 2017.

Cabinet Ministers, Deputy Ministers and senior departmental and ministerial staffers (e.g. Director-Generals, Deputy Director-Generals and Special Political Advisors) will play a critical role in the formulation and articulation of key policy proposals at the National Policy Conference and the basis for its implementation by Government.

All structures of the ANC at national, provincial, regional, municipal and branch level, including its employees in Government, Parliament, Provincial Legislatures and Municipal Councils are currently preparing for participation in the National Policy Conference. This is specifically within the context of their primary mandates. Critical for national government and Parliament, this includes, key policy, legislative and regulatory reviews and reforms.

The ANC National Policy Conference will conclude a mere one month before the official commencement of the 2018/2019 National Budget process – a process under the custodianship of the Minister of Finance and National Treasury

It should thus be expected that the 2018/2019 Budget planning and prioritisation process will be significantly influenced by the impact of the Cabinet reshuffle on key institutional political leadership changes and ANC National Policy Conference Resolutions, which themselves are influenced by these changes.

### **Parliamentary Budget Votes**

Further with regards to the impact of the Cabinet reshuffle on key budgetary considerations; the timing of the reshuffle comes one and half months ahead of the commencement of the 2017 Parliamentary Budget Vote Schedule. This commence on 16 May 2017 and will see Cabinet Ministers, Deputy Ministers and Parliamentarian across all political parties go head-to-head in debating – for approval by Parliament, the Departmental Budgets and Strategic Plans of Departments, the subsidiaries, public entities and regulatory bodies residing under them.

The Parliamentary Budget Votes Process therefore presents new Cabinet Ministers and their Deputies affected by the Cabinet reshuffle as the first major opportunity to stamp their authority on articulate their strategic direction and priorities for the Departments under political leadership.

Given the existing criticism of opposition political parties to the prevailing political leadership, the Cabinet reshuffle has further mobilised opposition political parties in Parliament against the ANC.

All opposition are currently seeking legal resource against the President and his decision to restructure the National Executive in the manner it has been pursued and concluded. The Parliamentary Budget Votes represent an ideal political and public platform, lends itself to an opportunity another for heated political debate and exchange between political parties. This is both in relation to the Cabinet reshuffle itself but more critically its impact on policy, legislative and regulatory decisions and actions.

### **Impact on Parliament**

It has been a general trend under President Zuma's leadership of both party and the State, that notwithstanding the separation of powers between the Executive and the Legislature, that the set-up of the ANC in Parliament is generally affected by Cabinet shake-ups of this nature.

While President is no stranger to frequent changes to the composition and make-up of his Cabinet, this has been the most extensive reorganisation of Cabinet during his two-term Presidency.

It is highly unlikely that Parliament will be left unaffected by the recent raft of Cabinet changes. In the first instance, the promotion of 8 Parliamentarians to Ministerial and Deputy Ministerial positions, requires the filling of their vacancies on key Parliamentary Committee wherein they served as Chairpersons, Whips and ordinary members in key portfolios.

Given the President's referral back to Parliament of key legislation submitted to him for assent by Parliament as well as the processing of new legislative priorities for the year, expect key Parliamentary changes in the following areas in order to align with the reorganisation of Cabinet and to drive the legislative and oversight agenda of Parliament in respect of implementing radical socio-economic transformation initiatives:

- The ANC Parliamentary Caucus, including changes to the overall list of Parliamentarians, Caucus Chairperson and Policy Cluster Heads
- Committee Chairpersons and Whips
- Commission of key ANC Study Groups and Committee Members e.g. Finance, Trade and Industry, Economic Development, Public Enterprises, Public Works, Communications, Rural Development and Land Reform, Telecommunication and Transport.

## **Congress of South African Trade Unions (COSATU) and South African Communist Party (SACP) to meet**

Leaders of the ANC's tri-partite alliance partners – COSATU and the SACP are scheduled to hold separate meetings on the Cabinet reshuffle.

While SACP leaders in President Zuma's Cabinet and serving in Parliament have been critical of the President and his Government, none of them were removed from their positions. Those who were affected were subjects of lateral moves across Ministerial and Deputy Ministerial positions.

Both the SACP and COSATU have publicly opposed the removal of former Finance Minister, Pravin Gordhan prior to the decision taken by the President to reshuffle his Cabinet.

Noting the Cabinet changes, COSATU said it noted the change but said it would take some time to reflect and study the reshuffle and its implications, which will form part of the labour federations discussions at its upcoming Special Central Executive Committee meeting.

## **RESPONSES BY GOVERNMENT LEADERS AND POLITICAL PARTIES**

### **Deputy President Cyril Ramaphosa**

Deputy President of the South Africa and of the ruling African National Congress (ANC), Mr. Cyril Ramaphosa has publically expressed his dissatisfaction with the firing of former Minister of Finance, Mr. Pravin Gordhan in particular, adding that President Jacob Zuma presented the top ANC leadership with a ready-made list of the new Cabinet, without consultation. Accordingly to Ramaphosa, many in the ANC were also unhappy with the removal of Gordhan from Cabinet. "It was just a process of informing us of his decision, it was not a consultation because he came with a ready-made list".

Ramaphosa also raised his concerns and objection on the removal of the Minister of Finance, largely because he was removed based on an intelligence report that Ramaphosa believed had unsubstantiated allegations and was labelled as "shoddy" by the ANC's tripartite alliance partner – the South African Communist Party.

Ramaphosa told Zuma he would go public about his disagreement to remove the Minister of Finance, as the reasons were based on spurious allegations.

"I told him I do not agree with him, and that I would articulate this publicly so this is where we are. He has made his choice to appoint and remove Ministers and let me say, it is his prerogative".

### **African National Congress (ANC)**

ANC Secretary-General Mr. Gwede Mantashe has publically expressed his unhappiness that the President has fired former Minister of Finance, Mr. Pravin Gordhan from his Cabinet. He is also very uncomfortable, because areas where Ministers do not perform have been touched. Ministers have been removed and the majority of them were good performing ministers. According to Mantashe: "We were given a list that was complete and my own view as the Secretary-General, I felt like this list has been developed somewhere else and its given to us to legitimise it. The President knows the ANC is not happy with the changes."

### **Democratic Alliance (DA) motion of no confidence in the President**

Within Parliament going into recess from the close of business on 31 March 2017, the official opposition has written to the Speaker of Parliament to request the immediate resumption of Parliament and that an urgent sitting of the National Assembly be scheduled for a motion of no confidence in the President to be debated and voted on as early as the week commencing 3<sup>rd</sup> April 2017.

### **Democratic Alliance (DA) interdict against swearing in of Cabinet members**

The official opposition has instituted urgent legal action to stop what it calls “an assault on the Constitution and people of South Africa”. The party has filed papers in the Western Cape High Court, seeking an urgent interdict to halt the swearing in of Cabinet members and the implementation of the reshuffle. At 17h30 on 31<sup>st</sup> March 2017, the DA failed in its High Court bid to halt the new Cabinet swearing in ceremony.

### **Economic Freedom Fighters (EFF) Constitutional Court application**

The EFF plans to file a court application with the Constitutional Court to order the Speaker of Parliament to institute impeachment or disciplinary proceedings against President Zuma, for conduct associated with the scandal associated with public funding of upgrades to his private homestead in Nkandla and for lying to Parliament on numerous occasions. The party is approaching the Constitutional Court as a last resort, based on the contention that Zuma’s conduct on the Nkandla matter both inside and outside of Parliament, renders him unfit to hold the high office of President of the Republic.

In their application to the Court, the EFF is enjoined by two other political parties represented in the National Assembly. Namely, the United Democratic Movement (UDM) and the Congress of the People (COPE)

### **Economic Freedom Fighters (EFF) motion of no confidence in**

The EFF has written to the Speaker of Parliament, requesting that the Speaker convene a special urgent sitting to debate and vote on the motion of no confidence on the President, between 3<sup>rd</sup> – 7<sup>th</sup> April 2017.

## **WHAT HAPPENS NEXT?**

### **Swearing in of Cabinet Ministers and Deputy Ministers**

Cabinet Ministers and Deputy Ministers will be sworn in by the Chief Justice of the Constitutional Court at 18h00 on 31 March 2017 at the Union Buildings in Pretoria.

### **Focus now turns to Parliament**

Even though Parliament goes into recess from close of business on Friday 31<sup>st</sup> March 2017, the legal actions being pursued by political parties and the mounting public outcry against President Zuma’s actions, means the spotlight now turns to Parliament handling in search of a remedy.

This effectively means a political solution, which if it is going to have any chance of succeeding will require the majority African National Congress (ANC) caucus to break rank with the President and vote in unison with opposition political parties to have the President removed through a motion and vote of no confidence.

South Africa's Constitutional dispensation provides for a Parliamentary system of democracy in nominating and electing the President. This means that Members of Parliament nominate and vote for the President. Majority rules apply. Politically, this will require the ANC to consider the following:

1. Consensus on an alternative nominee for President.
2. Whether or not to vote with opposition political parties on a motion of no confidence in the President, where such a motion is introduced by the opposition and what the broader political implications thereof might for how the ANC is viewed as having conceded a political victory to the opposition
3. Whether or not it is practical to mobilise the majority of the ANC Parliamentary caucus to unanimously vote in favour of a motion of no confidence brought against the President by the ANC itself and what the broader political implications hereof may be for unity within the ANC, particularly at provincial level.

## ENQUIRIES



**Mr. Abdul Waheed Patel**

*Chief Executive Officer*

Email: [awpatel@ethicore.co.za](mailto:awpatel@ethicore.co.za)

Mobile: +27 (0) 79 888 0452



**Ms Wisahl Jappie**

*Managing Director*

Email: [wjappie@ethicore.co.za](mailto:wjappie@ethicore.co.za)

Mobile: +27 (0) 72 227 1144

**DISCLAIMER:** This document and its contents is the property of **ETHICORE** and may only be shared with those involved in the project, assignment and/or service for who it is intended. We ask that it be kept confidential and that it not be disclosed to any outside parties including any other external service providers who may be involved in a similar area of focus. If you have received this document in error or for any other reason other than for what it was intended and are not the intended recipient of the information contained herein, kindly notify us and delete and destroy all records of it. Do not disclose, transmit, copy, store, adapt or use the information contained in any way.  
**Copyright 2010 © ETHICORE.**