



# By-election monitor - II

SOUTH AFRICA

We publish the second run of our by-election monitor following the conclusion of the final round of by-elections for 2023. The ANC's performance has improved compared to the period we covered previously (2 February 2022 to 26 April 2023), although the party's performance has been volatile. Still we see the by-election data strongly conflicting with public polling that shows the ANC weakening. The DA has also improved compared to the previous period, although its performance has now reached a plateau in the last few rounds of by-elections though it still exhibits very volatile outcomes between by-elections. Meanwhile the EFF has recovered some of the momentum it lost during the mid-year period. The IFP, despite losing some momentum in the second half of 2023 which it has not fully recovered, performed notably well throughout the year, profiting from ANC losses and cooperation with the DA in KZN. ActionSA's performance has been fair although the party has contested a very small number of by-elections. Smaller parties have performed very poorly with the exception of the PA.

Overall the by-elections are still performing around expectations and so we finetune our 2024 forecast only very slightly, having previously pushed EFF up a tick we also push IFP up a tick and reduce proto-parties back further. The core view that the ANC is not showing additional negative momentum whilst sitting down at 47% implied remains.

Given the countdown to the May 2024 election (expected) and variations in the quality of polling, by-elections provide the richest data set upon which some forecasting can be based.

By-election data was crucial in part to our ability to call prior elections with moderate accuracy and so this monitor will be periodically updated to highlight trends and turning points. We should be cautious, however. Smaller parties like ActionSA are only standing in very small parts of the country and not all seats even there, while protoparties (those only just launched and those about to be launched) will not feature perhaps in any by-election before the main event. Still, we find that analysis of swings (changes) from the previous 2021 elections provide useful insights.

**2024 forecast** – The by-election monitor informs our forecast and highlights risks around it but is not mechanically connected to it. Turnout assumption in the official forecast adds more complexity of shifts vs by-election swings. We are currently at the following comparison levels and risk skew:

	ANC	DA	EFF	ActionSA	IFP	Proto	Other
Official 2024 forecast	47	25	13	4	7**	2**	3
2019	57.5	20.8	10.8	NA	3.4	NA	7.6
Official Risk	Bal	Down	Down	Bal	Bal	Bal	Up
By-election monitor implied risk*	Bal	<u>Upside</u>	<u>Bal</u>	Bal	<u>Up</u>	NA	NA

\*vs official forecast, based off of last point of by-election model – see below \*\*We have raised IFP to 7 from after analysing especially non-KZN vote potential. We lower Proto-parties from 4 to 2 after assessing recent registration day momentum. Proto includes BOSA, Rise Manzi and CSN

21 DECEMBER 2023

**ANALYSTS**

**Nduduzo Langa**

Politics Analyst

[nlanga@krutham.com](mailto:nlanga@krutham.com)

**Peter Attard Montalto**

Managing Director

[peter@krutham.com](mailto:peter@krutham.com)

+44 (0) 796 0095 001

+27 (0) 11 083 558

Find our full series of "2024 Countdown" research [here](#).

**KRUTHAM 2024 BASELINE**

ANC 47 [57.5] (balanced risk)  
 DA 25 [20.8] (downside risk)  
 EFF 13 [10.8] (downside risk)  
 ACSA 4 [-] (balanced risk)  
 IFP 7 [3.4] (balanced risk)  
 Proto 2 [-] (balanced risk)  
 Other 3 [7.6] (Upside risk)  
 Turnout -8 to -10pp

Proto includes BOSA and Rise Manzi

**TOPICS**

Politics

INDEPENDENT, EXPERIENCED,  
KNOWLEDGEABLE,  
DEEPLY CONNECTED, RAPID ANALYSIS

Account queries  
[researchdistr@krutham.com](mailto:researchdistr@krutham.com)

Please respect our business - this report is intended for subscribers to Krutham Capital Markets Research, selected media and policy makers only.

**Do not forward to non-subscribers without permission.**

If you are not a subscriber, please contact the author to discuss the benefits of a subscription.

## Recent by-elections narratives

An important development since the last by-election monitor is that the Democratic Alliance (DA) and the Inkatha Freedom Party (IFP) in KwaZulu-Natal (KZN) signed a Service Delivery Pact. Among other things, this agreement has somewhat formalised the two parties' cooperation in by-elections which has seen one of them sitting out a by-election to allow the other with a better chance of winning to contest the poll. Importantly, this arrangement only works in hung municipalities and is largely aimed at either removing or keeping the African National Congress (ANC) out of power.

The arrangement was evident in the last round of by-elections when the IFP won Ward 11 of the Inkosi Langalibalele Municipality from the ANC which gave the IFP-DA coalition a majority in council. The DA did not contest the election. Both the ANC and Economic Freedom Fighters (EFF) - which given the dynamics would form a governing coalition should they have the numbers - contested the ward. The IFP-DA partnership has served the two parties well especially because defeating the ANC in some wards does require collaboration. It is however puzzling that the DA did not contest Ward 101 in eThekweni, while the IFP did, despite the fact that in the 2022 by-election, the former fared better.

By-elections have been more interesting in coalition-governed municipalities and those governed by parties with very slim majorities, such as Mangaung where they are able to bring about a change of administration. Interestingly, coalitions have at times reduced the importance of by-elections as a party can win a seat from a coalition partner and thereby preserve the coalition's majority. The seat thus rotates within the coalition which poses no threat of loss of power for the coalition. For example, not much attention was paid to the fact that the Patriotic Alliance (PA) won a seat from the ANC in the City of Johannesburg because the two parties are part of the governing coalition. This is however an interesting direction in the country's politics and should coalition partners formally adopt the DA-IFP KZN model, the country would be well on its way to being dominated by coalitions rather than individual parties. This added to the formation of blocs would make elections at all levels more interesting and unpredictable.

There have been some notable highlights in this year's by-elections including the EFF winning its first ward in the Western Cape, the PA winning its first City of Cape Town ward (the DA did not contest), and some notable battles between the ANC and the DA in eThekweni, including in Ward 9 where the ANC reclaimed the ward it narrowly lost to the DA in 2021. In addition, the Western Cape is becoming an interesting province, given the options that voters now have. The PA is fast becoming a significant challenger there. In Ward 7 of the Swartland Municipality the party only lost by five percent to the DA which retained the ward with 37% (PA – 32%). This will make the 2024 and 2026 elections quite interesting. The DA thus has a lot of work to do to retain its majority.

## Monitor results

The key takeaway in this part of the monitor is that the bigger parties (specifically the ANC and the DA) have not made significant strides as they have largely retained wards that they already control and won only a small number of new ones.

Compared to the last period we covered, the ANC's performance has improved. This shows that polls which predict the total annihilation of the ANC next year and the continued loss of support are unrealistic. The ANC, while it has not been outstanding, has registered some impressive results over the past few months, including winning an eThekweni Ward off the DA. These performances have however been cancelled out by the loss of other wards most notably to the IFP in KZN. The PA has also given the ANC a tough time in predominately coloured areas which were formerly ANC strongholds. This was underscored by the party winning Ward 7 of the City of Johannesburg from the ANC. Likewise, the EFF, another party which has had a relatively good year, has also displaced the ANC in some wards, including In Ward 9 of the Saldanha Bay Municipality in the Western Cape and Ward 13 of the Msukaligwa Municipality in Mpumalanga.

The one party which is in pole position to battle the ANC for the throne in 2024 is obviously the official opposition, the DA. To stand a significant chance of unilaterally unseating the ANC, the DA needs former ANC supporters to vote for it. However, the by-election results indicate that the trend of voters moving from the ANC to the DA has not been significant, particularly in the second part of the year. That said, the DA has had an 'ok' year in the polls. It is interesting that during the period of the Multi-party Charter for SA (MPC) talks the DA's performance improved. During the same period the IFP's (another member of the MPC) performance dipped.

Despite a slowdown in the second part of 2023, the IFP has overall had a very good year in by-elections, with peaks in April and June. This is one party that has gone beyond just retaining wards as it has also won several, mainly from the ANC in KZN. Examples include the City of uMhlathuze's Ward 13 and the uMvoti Municipality's Ward 9. The IFP has of course lost a few wards in KZN but the impact of this on its overall performance has been minimal. What is interesting is that there are swings in different areas and both the IFP and ANC are up this year overall in KZN.

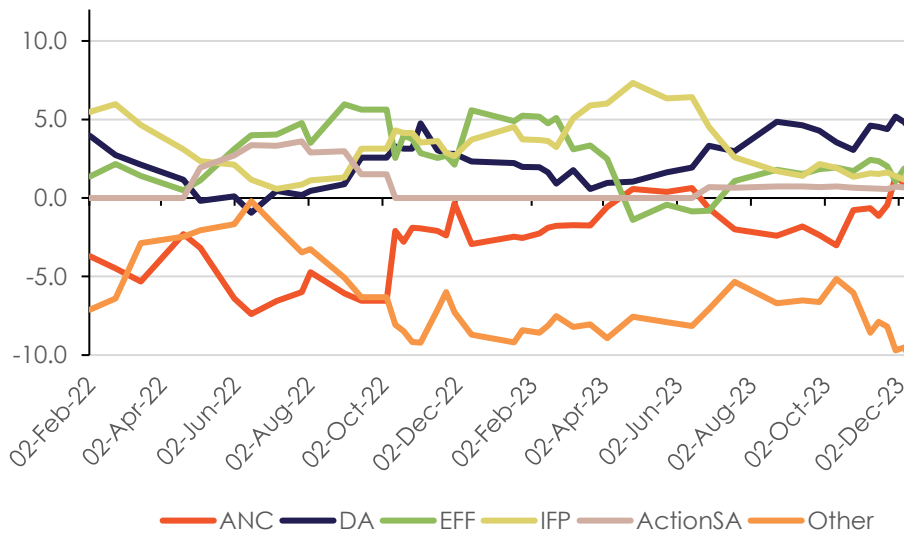
Despite a dip between April and June 2023, the EFF performed reasonably well. The improvement in the EFF's performance, particularly in the early parts of the second half of the year occurred just as parties started creating momentum towards the 2024 elections through various activities. Overall, the EFF is probably the second happiest party after the IFP with this year's by-election results.

ActionSA's performance has not changed much since April as the party has not contested enough by-elections to enable a fair assessment to be made. Nonetheless, it has shown great potential in Gauteng, particularly in the more affluent areas.

"Other" parties have not done well this year, indicating that smaller parties collectively have only a slight chance of influencing the 2024 election outcomes. Apart from isolated occasions, local parties have also performed poorly. The one "small" party which will have a significant say in 2024 is the PA which has performed quite well winning wards off both the ANC and the DA. We must however mention that parties such as the Rise Mzansi and Build

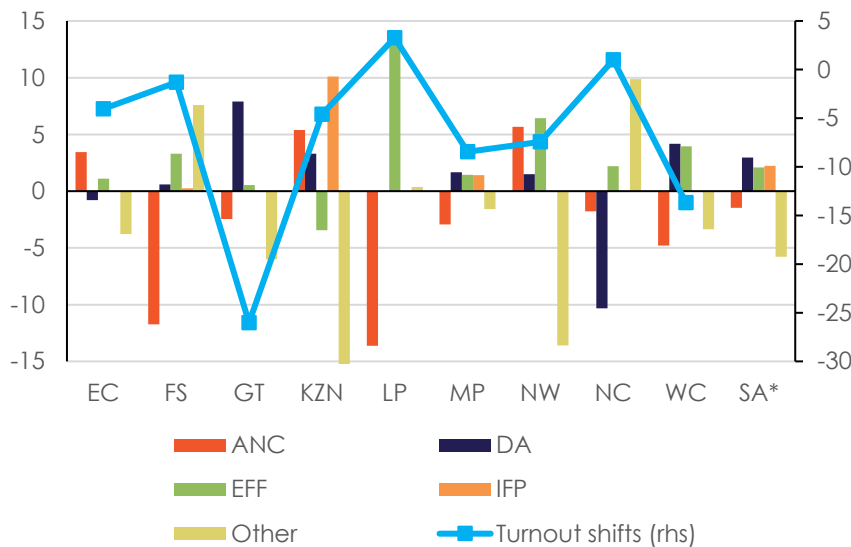
One South Africa (BOSA), which we expect to make only a small impact in 2024, have not been very active in by-elections. Rise Mzansi has not contested a single by-election while BOSA has only contested one.

**Figure 1: By-elections swing model (smoothed)**



Source: Krutham, IEC

**Figure 3: Provincial breakdown (all by-elections in 2023)**



Source: Krutham, IEC Note: SA total is weighted by projected share of vote each province swing represents in 2024. This is not our actual forecast though informs it

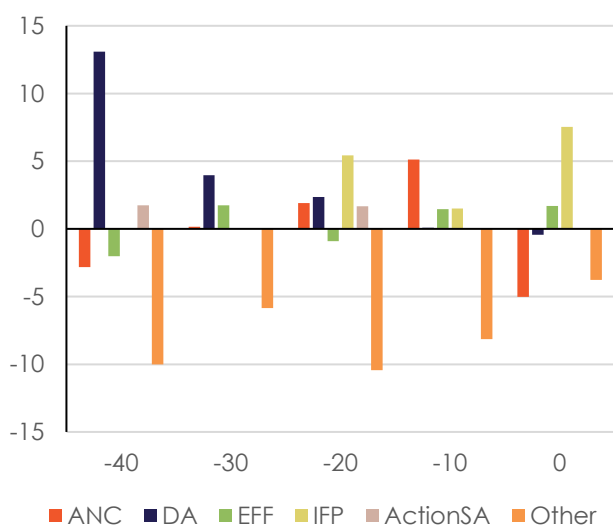
We can see ANC gains only in the traditional heartland of the Eastern Cape and KZN which is interesting to compare with the IFP momentum but shows very different parts of KZN are supporting the two parties – this will be the key mosaic battle of 2024. North West where the party has invested serious resources also looks more positive. Their death continues in Western Cape however as well as Free State and Limpopo.

The DA performed well in the more urban provinces. Their rise is strongest in Gauteng which is important considering that many people blame them (supposedly) for coalition dramas there but show they could still pip the ANC to be largest party. In KZN – not a traditional stronghold – their momentum is

also clear. Interestingly, despite fears of being crowded out by some smaller parties in the Western Cape they also show positive momentum there vs 2021 with other parties actually losing momentum.

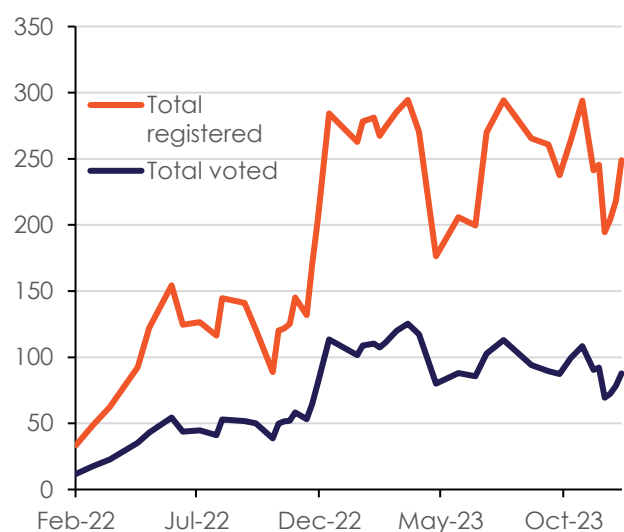
The EFF interestingly seems to have a good balance across different types of provinces, although its KZN performance is not convincing. The EFF's success is linked to its efforts to establish its presence in all corners of the country. This is crucial if a party is to rival an ANC which is referred to as a "broad church". While other parties have generally performed poorly, their performance in the Northern Cape and Free State indicates an appetite for less established parties among voters in these provinces. Parties such as Ace Magashule's African Congress for Transformation will be hoping to capitalise on this in 2024. The ANC will be wary of the implications of its underwhelming performance in different provinces – especially the Free State and Limpopo.

**Figure 4: Swing by turnout**



Source: Krutham, IEC

**Figure 5: Total electorate in rolling sample**



Source: Krutham, IEC

Voter turnout continues to be a challenge in by-elections. Given trends in recent elections we expect turnout in 2024 to decline by eight to ten percentage points from 66% last time. The EFF's performance seems to have a positive correlation with higher voter turnout scenarios, while the opposite remains true for the DA. The impact of by-election turnout on the ANC's performance remains minimal, although a trend of poor performance in higher turnout scenarios is developing. The IFP fights seem to be driving particularly high turnout.

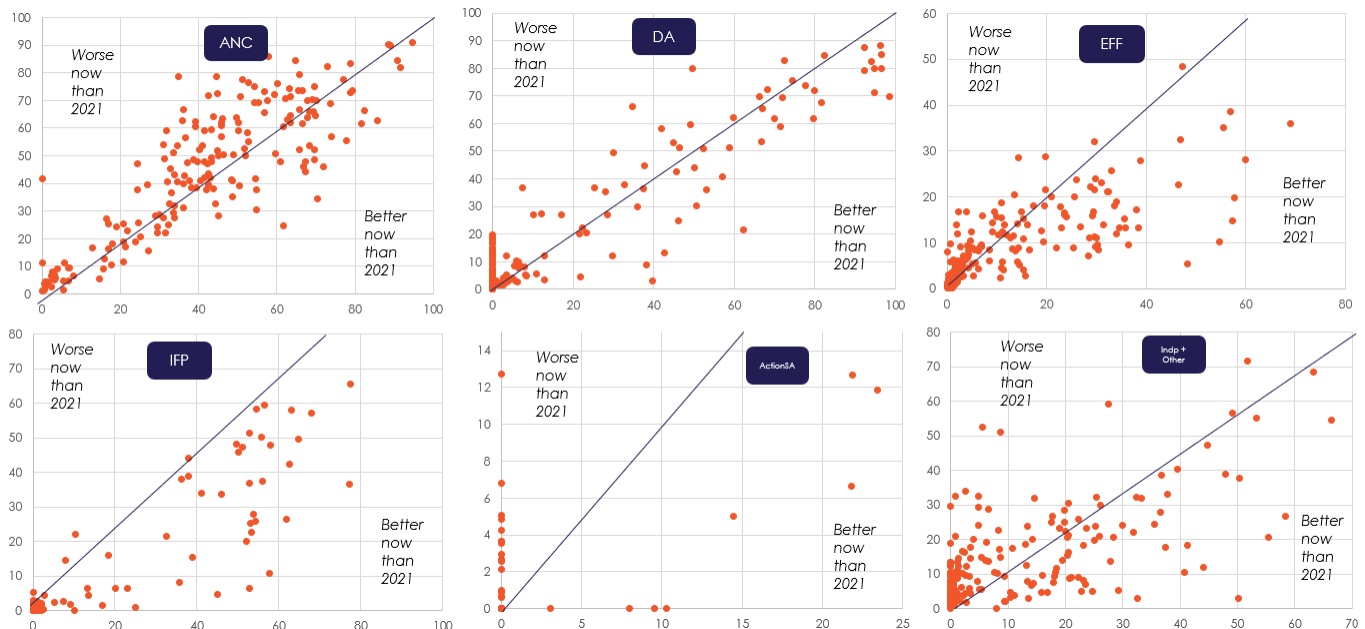
Gauteng has seen the worst turnout provincially and supports the a very complex set of election results with a large number of smaller parties in coalition next year.

## Methodology

We look at the swing of each party in each by-election vs its results in the 2021 local elections – comparing only ward votes in the 2021 elections, not proportional representation (PR) or other types of votes. We calculate the time series by taking all by-elections in a 120-day rolling window. National time series per party are calculated by weighting each individual province swing by the projected registered voters in the 2024 elections. Provincial swings are calculated based on weighting the swings by 2021 total votes in

each applicable by-election ward. In other words, this weights towards total votes cast not equally weighted between different metros and wards etc. The total voters in the sample can be seen in Figure 5 – the higher this number of those who voted the more representative the sample (as more by-elections occur and larger wards are polled). No manual adjustments of the data occur except to exclude one recent ward the DA held that it didn't stand in by error which created a large distortion in the result.

**Figure 6: Results in by-elections vs 2021 by party**



Source: Krutham, IEC

## Other pieces in this series

[Xenophobia and 2024](#)

[Metro drama update](#)

[The 'turnout' driven election](#)

[2024 banking and politics nexus](#)

[Political party funding update](#)

[SRF polling: 11 interesting tidbits](#)

[Elections Countdown - The IFP Dissected](#)

[Elections countdown – Free and fair?](#)

[What happens post the election?](#)

[Elections countdown: Campaign narratives](#)

[Elections countdown: Top parties' policies](#)

[By-election monitor - I](#)

[2024 Coalitions Mapping - I](#)

[The DA's elusive role in politics](#)

[Cadre deployment and public service](#)

[Next president? Who is Paul Mashatile?](#)



## DISCLAIMER

This research report was issued by Krutham UK Ltd.

Krutham aims to deliver impartial and objective assessments of securities, companies or other subjects. This document is issued for information purposes only and is not an offer to purchase or sell investments or related financial instruments. Individuals should undertake their own analysis and/or seek professional advice based on their specific needs before purchasing or selling investments.

The information contained in this report is based on sources that Krutham believes to be reliable, but Krutham makes no representations or warranties regarding the completeness, accuracy or reliability of any information, facts, estimates, forecasts or opinions contained in this document. The information and opinions could change at any time without prior notice. Krutham is under no obligation to inform any recipient of this document of any such changes.

No part of this report should be considered as a credit rating or ratings product, nor as ratings advice. Krutham does not provide ratings on any sovereign or corporate entity for any client.

Krutham, its directors, officers, staff, agents or associates shall have no liability for any loss or damage of any nature arising from the use of this document.

### Disclosure

The opinions or recommendations contained in this report represent the true views of the analyst(s) responsible for preparing the report. The analyst's remuneration is not affected by the opinions or recommendations contained in this report, although his/her remuneration may be affected by the overall quality of their research, feedback from clients and the financial performance of Krutham group entities.

Krutham staff may hold positions in financial instruments or derivatives thereof which are discussed in this document. Trades by staff are subject to Krutham's code of conduct which can be obtained by emailing mail@krutham.com.

Krutham may have, or be seeking to have, a consulting or other professional relationship with the companies, sovereigns or individuals mentioned in this report. A copy of Krutham's conflicts of interest policy is available on request by emailing mail@krutham.com. Relevant specific conflicts of interest will be listed here if they exist.

- Krutham is providing independent advice and independent research to a wide range of investors and financial institutions on Eskom, Land Bank and SAA. Krutham's interactions with all clients on Eskom, Land Bank and SAA may include business confidential information but does not include MNPI and so does not provide a conflict. Krutham does not 'act' or 'advocate' for or 'represent' any of these clients. Krutham has regular interactions with government, Eskom, Land Bank, SAA and other related entities connected with the SOE situation but does not provide paid consulting services or paid advice to any of these entities. These interactions are governed by Krutham's own conflicts of interest policy as well as secrecy rules of the respective institutions or state-owned companies.
- Krutham provides a range of services into 'organised business' groupings in South Africa, which includes independent bespoke research and advice. Krutham is compensated for these services. Krutham does not 'act for' or 'advocate' for or 'represent' any of these clients.
- Krutham does not align with any political party, nor does it undertake any work paid for by any political party. Krutham does not make corporate donations to any political party. Individual employees, board members or other affiliates of any Krutham entity may be members of or make donations to political parties.

### Copyright

© 2023. All rights reserved. This document is copyrighted to Krutham UK Ltd.

This report is only intended for the direct recipient of this report from an Krutham group company employee and may not be distributed in any form without prior permission. Prior written permission must be obtained before using the content of this report in other forms including for media, commercial or non-commercial benefit.

---

*Please respect our business – this report is intended for subscribers to Krutham Capital Markets Research, selected media and policy makers only.*

***Do not forward to non-subscribers without our permission.***

*If you are not a subscriber, please contact the author to discuss the benefits of a subscription.*

---