MOVING BEYOND THE KNOWN – RISK & POWER IN A FRAGMENTING DEMOCRARY

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ACTUARIAL SOCIETY OF SOUTH AFRICA

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Scope of topics covered

Anyone can steer the ship, but it takes a leader to chart the course – JC Maxwell

OUTLINE

Introduction: The New

The Shift: Moving from "Stable Cycles" to **"Dynamic Fragmentation."**

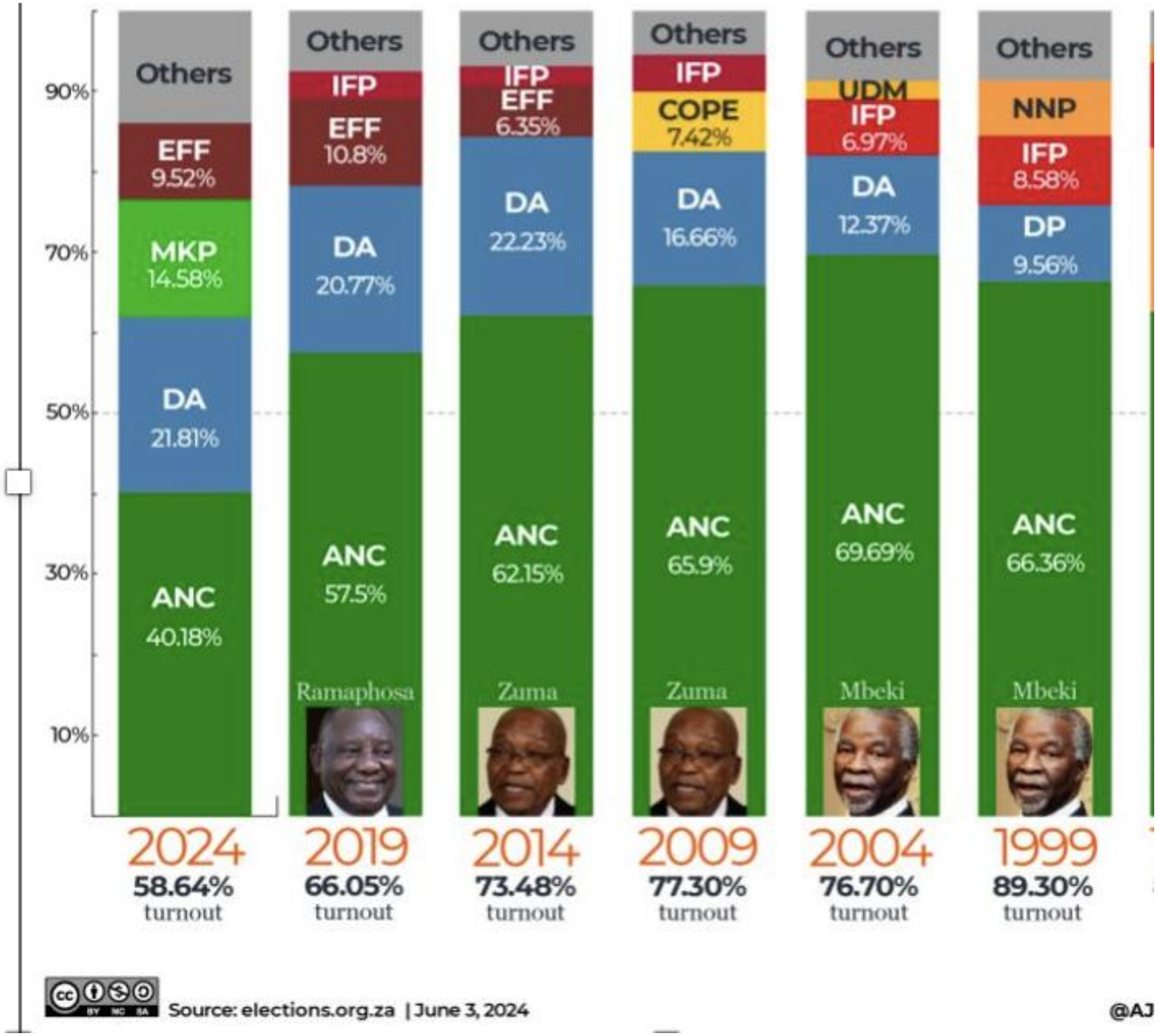
Context: The HSRC Voter Participation Survey (March 2026) marks this as the most challenging climate in three decades.

Core Realization: Political risk is no longer a peripheral concern; it is a fundamental reconfiguration of South Africa's democratic architecture.

The Driver: Traditional stability has been replaced by deep-seated voter disengagement and institutional distrust.

The Political Architecture of Fragmentation

- Smaller parties consolidating their share
- Intra-party dynamics to be watched
- Polls show deepening fragmentation



The Growth Paradox: Development vs. Under-Development

Economic Snapshot: Projected 1.2% GDP growth for 2026; headline inflation cooled to 3.0%.

The Disconnect: Despite macro-stability, "Subjective Poverty" remains high as disinflation benefits fail to reach under-developed sectors.

The Untapped Ceiling: The "unseen" economy of townships and rural areas represents the country’s greatest growth potential.

Infrastructure Gap: Current policy often bypasses these areas, leaving human capital underutilized and domestic demand artificially capped.

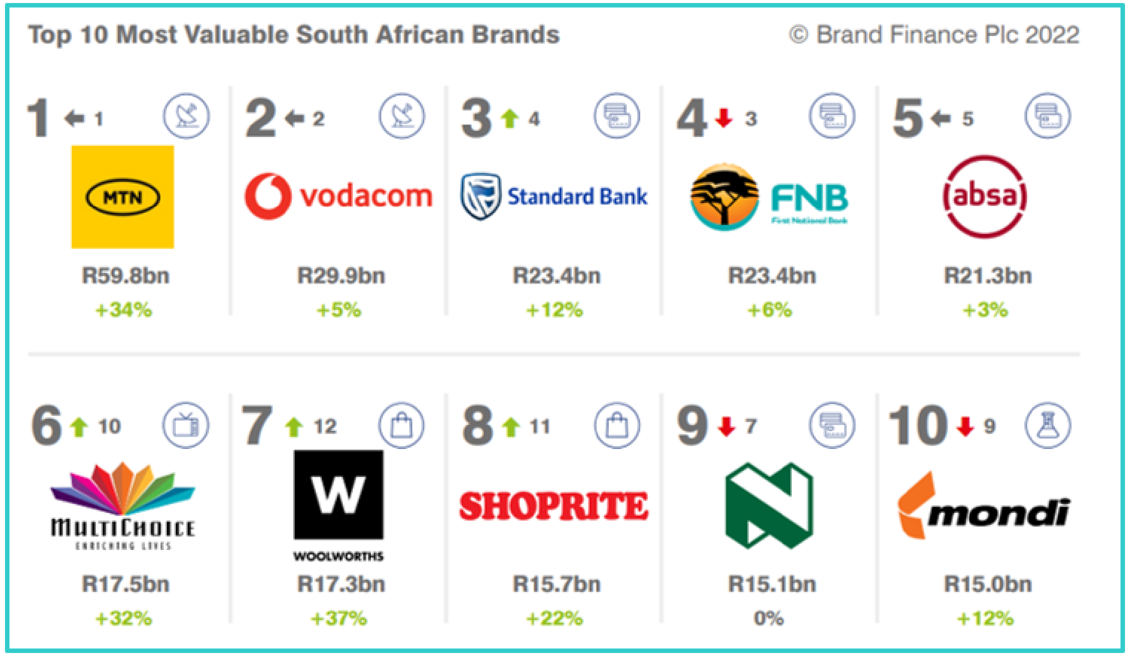
Power Constellations: Political Elites and Illicit Gains

Political-underworld nexus laid bare

Erosion of Trust: Only 38% of citizens trust the bodies meant to oversee democratic processes, fueling the perception of "elite capture."

Corporate Oligopolies and Consumer Vulnerability

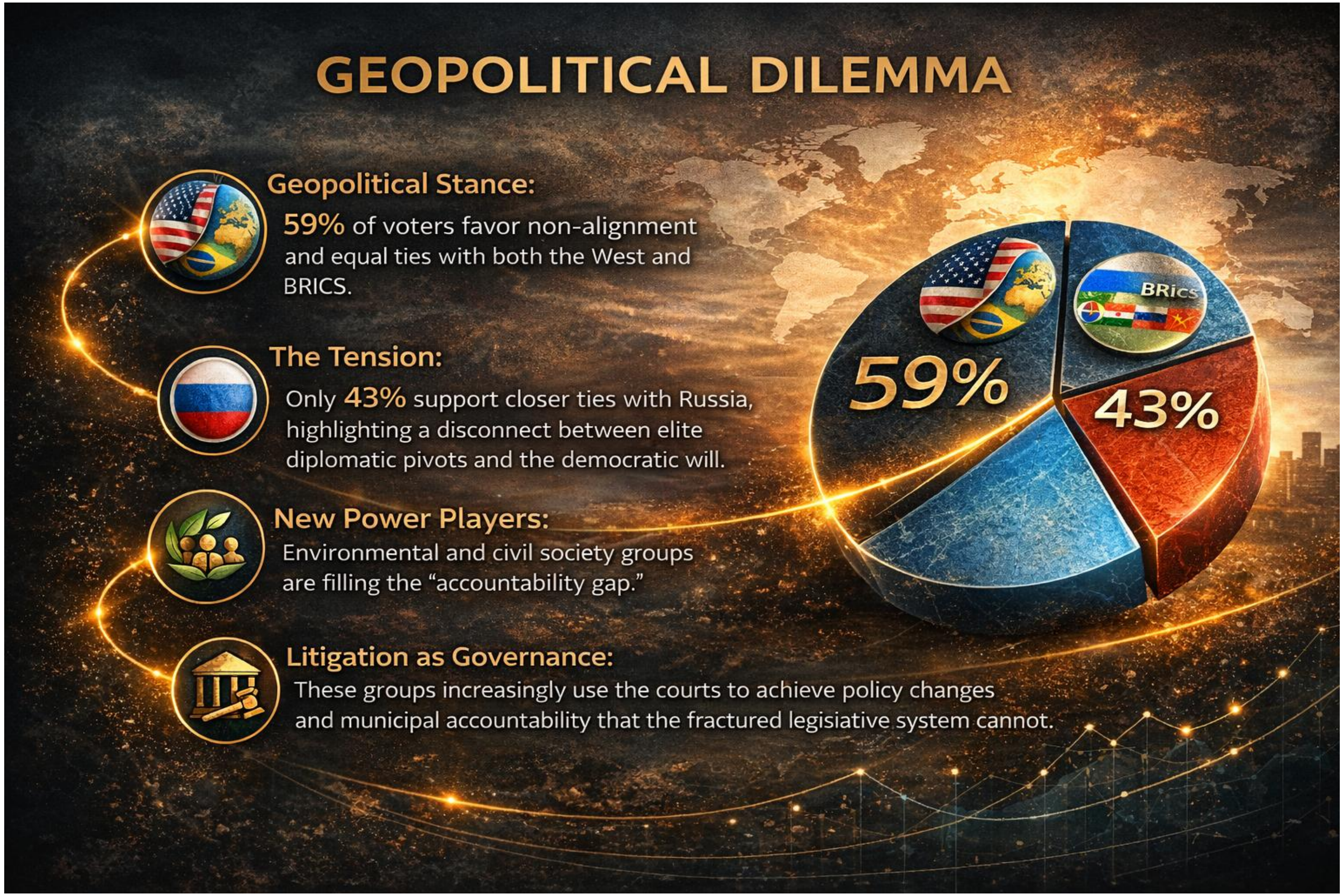
- **Market Concentration:** In sectors like retail and finance, a handful of firms dominate over 70% of the market share.
- **Consumer Impact:** This concentration limits purchasing power and keeps prices high despite lower inflation.
- **Social Friction:** High market concentration makes the South African consumer uniquely vulnerable to global shocks.
- **Political Risk:** Economic exclusion provides a potent tool for populist mobilization against "monopoly capital."
- **Source: The media online**



THE RISE OF URBAN BANDITS AND UNION ELITES

Coercive Actors: The "construction mafia" and urban bandits have become embedded in the local economy.

Foreign Interests and the Accountability Gap



Synthesis: Predicting the Unpredictable

- Volatility Over Stability: The 2026 and 2029 elections will be decided by the "pessimism and disengagement" of a frustrated electorate.
- Metric Shift: Traditional analysis of "ANC support" or "DA growth" is no longer sufficient to understand the landscape.
- The Strategic Path Forward: Mandate transparent political funding. Broaden production and distribution beyond corporate oligopolies to empower consumers.
- Aggressively invest in under-developed township and rural sectors.
- Conclusion: turn its "fragmentation" into multi-polar strength.

An invasion of armies can be resisted, not an idea whose time has come – Victor Hugo

Thank you! Any questions?