

By-election monitor - I

South Africa

22 MAY 2023

The ANC's performance has improved, meaning that there is now greater focus on the possibility of the party winning just over 50% of the vote next year – though our baseline remains that they get just below at 47% but we have shifted the risk skew. The DA's general performance has been fair, but not particularly impressive, while the EFF should be recognised for attempting to register its presence in all parts of the country. The IFP will be satisfied with its performance in recent by-elections while both ActionSA and the PA have the potential to grow nationally.

This is the first of these monitors we will publish roughly every two months or as major trends and turning points develop into the 2024 elections.

As the countdown to the mid-2024 elections (given loadshedding seasonality we expect May next year) continues and while polling from the existing suppliers is of varying quality (and often misreported in the media), by-elections continue with moderate regularity and provide the richest data set.

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 parts of the country and not in all seats even there, while proto parties (those only just launched and those about to be launched) will not feature perhaps in any by-elections before the main event. Still, we find that analysis of swings (changes) from the prior 2021 elections provide useful insights.

Intellidex will be launching a major private polling operation at the end of this year as a supplement to existing subscriptions for investors, corporates and other clients.

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2024 forecast – The by-election monitor informs our forecast and highlights risks around it, but is not mechanically connected to it. Turnout assumptions in the official forecast add additional complexity of shifts vs by-election swings (for the DA especially). We are currently at the following comparative levels and risk skew:

	ANC	DA	EFF	ActionSA	IFP	Proto	Other
%	47	24	12	4	5	5	3
2019	57.5	20.8	10.8	NA	3.4	NA	7.6
Official Risk	Bal	Down	Down	Bal	Bal	Down	Up
By-election monitor implied risk	<u>Up</u>	<u>Bal</u>	Down	Bal	<u>Up</u>	NA	NA

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Recent by-elections narratives

Since the November 2021 local government elections (LGE), one party that will be satisfied with its performance in by-elections is the Inkatha Freedom Party (IFP). The party, especially in KZN, has been able to wrestle several wards from the ANC in particular. This is however not surprising as the IFP presents itself as a homegrown alternative to the ANC for the people of KZN. As such, whenever there is general dissatisfaction with the ANC in the province, as is currently the case, the IFP is always in pole position to profit. Another surprisingly good performer has been the Patriotic Alliance (PA). Much of the party's success in by-elections has been as a result of its willingness to get into government through coalitions and thereafter using various media platforms to amplify its work in government. The party has been performing particularly well in the Western Cape, especially in predominantly coloured areas. We therefore expect the PA to become much stronger compared to other minority parties nationally.

In addition to the PA, another party with potential to grow nationally is ActionSA, which despite not winning a single ward in the by-elections has performed relatively well. Examples include coming second in Ward 96 of the City of Tshwane in May 2022 and coming third in Ward 43 of the Nelson Mandela Bay Metropolitan Municipality in July last year. We therefore expect ActionSA to grow further particularly in metros, where it has shown great potential. The main challenge for the party is that it is not contesting most by-elections. This is to be expected of a new party, which despite its good performance in its first election in 2021, is still trying to establish structures in different parts of the country.

The DA's general performance has not been bad, but it has also not been great. The party will be encouraged by winning wards such as Ward 4 of the Kareeberg Municipality in the Northern Cape off the ANC in June 2022. The biggest concern for the party should be its inability or unwillingness to contest by-elections in many of the country's rural areas. For a party that is intent on governing the country, there is an urgent need for the DA to expand its reach to rural areas. Even the EFF, which is smaller, contests significantly more by-elections in rural areas than the DA. The party has generally been able to retain wards in urban areas, especially in metros, including eThekweni. It has however found it difficult to win new wards even in urban areas. In the Western Cape, where the party governs, there is a growing challenge from the PA, which is fiercely competing for the coloured vote in particular. This is in addition to the challenge that the DA has faced from the Freedom Front Plus (FF+) since 2019. Nonetheless, the DA still has a firm hold in the province but the improvement of these parties as well as losing a ward to the ANC in Swellendam in March this year will worry the party.

The biggest loser in by-elections has been the ANC. The party has lost numerous wards in different provinces. Even its better performances have come in wards that it was leading. The party has therefore found retaining wards easier than winning wards off other parties. In KZN, the ANC has suffered great losses to the IFP, which is showing strong signs of growth especially in that province. The ANC's losses are consistent with expectations that the party will decline in 2024. That said, over the past few months, the party's performance has improved. It is partly because of this improvement that there is now greater focus on the possibility of the ANC winning just over 50% of the vote next year. We must highlight that much of

the improvement in the party's performance is not a result of it winning new wards off other parties but rather not losing its wards as frequently as it did between post-November 2021 and the third quarter of 2022.

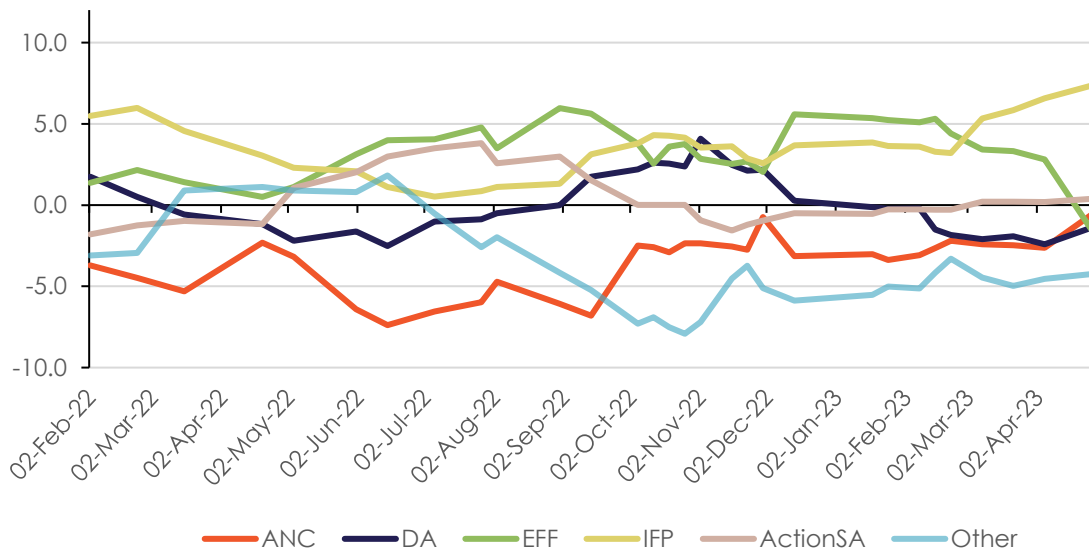
One thing the EFF should be lauded for is attempting to register its presence in all parts of the country. The party's efforts are highlighted by the fact that it has contested all by-elections that have been held in the post-2021 election period, except one. The one by-election the party did not contest was in the Dikgatlong Municipality in February 2023, where it was disqualified by the IEC after failing to meet the deadline to pay the requisite deposit to contest. The EFF's performance has not been bad. That is if we consider the size and age of the party in the assessment. However, the EFF is typically assessed in line with its megaphone politics, rather than its historical electoral performance. If judged against its megaphone politics, we would characterise the party's performance as poor. The EFF will be particularly encouraged by the fact that it has taken some wards off the ANC in certain parts of the country including in the Phokwane Municipality in the Northern Cape, Rand West City Municipality in Gauteng, and Nkomazi Municipality in Mpumalanga. The party's performance in metros has however not been encouraging. This is one area the party needs to work on.

Monitor results

The most interesting way of looking at these by-election results is locating them within a context. It is notable that the DA and ANC (to varying degrees) were both generally performing poorly between February 2022 and August (for the former) and September (for the latter) 2022. From there, the DA improved dramatically and peaked at the beginning of November before proceeding on a downward slope. The ANC also improved and peaked at the end of November. The key event here was the national conference of the ANC which took place between 16 and 20 December 2022. The improvement in performance of the ANC as we got closer to its conference probably signifies how such events rejuvenate the electorate's hope in the party. This is most likely a result of the belief that such events will result in the election of a leadership that will improve the party's governance record. The ANC has sustained this momentum to date. The difference between the party's position at the beginning of 2022 and April 2023 is worth noting.

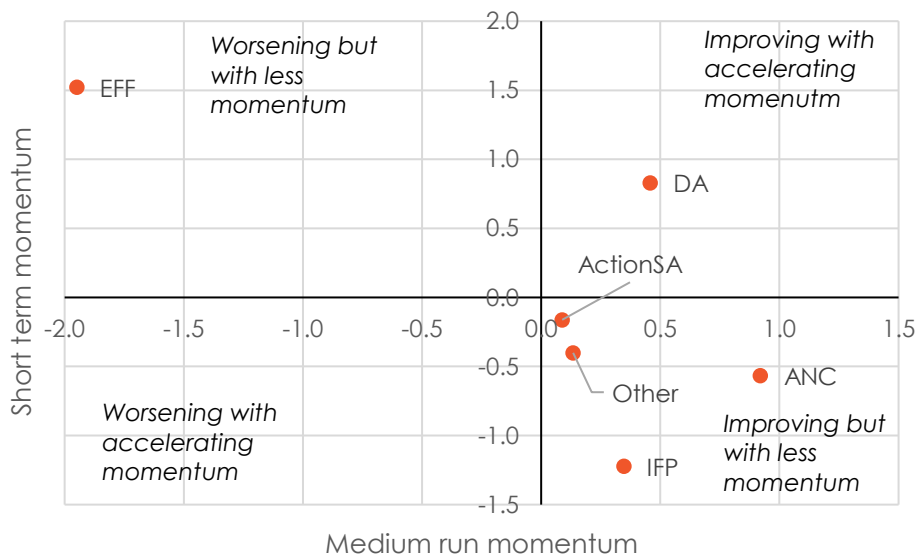
In contrast, in the lead up to its national congress held between 1 and 2 April, the DA was declining before improving after the congress. Perhaps factors such as how the outcomes of the congress could be accurately predicted prior to its commencement came into play. Importantly, the DA's decline coincided with the drama in Gauteng metros, where the DA has a major say. Interestingly, the EFF also declined substantially during this period. This is not surprising given the party's involvement in this drama. The ANC also experienced a minor dip during this period. Apart from the mentioned significant decline, the EFF has performed relatively well. On the contrary, ActionSA experienced growth during this unstable period. This perhaps signals the recognition among the electorate of the more constructive role the party sought to play during this period of uncertainty.

Figure 1: By-elections swing model (smoothed)



Source: Intellidex, IEC

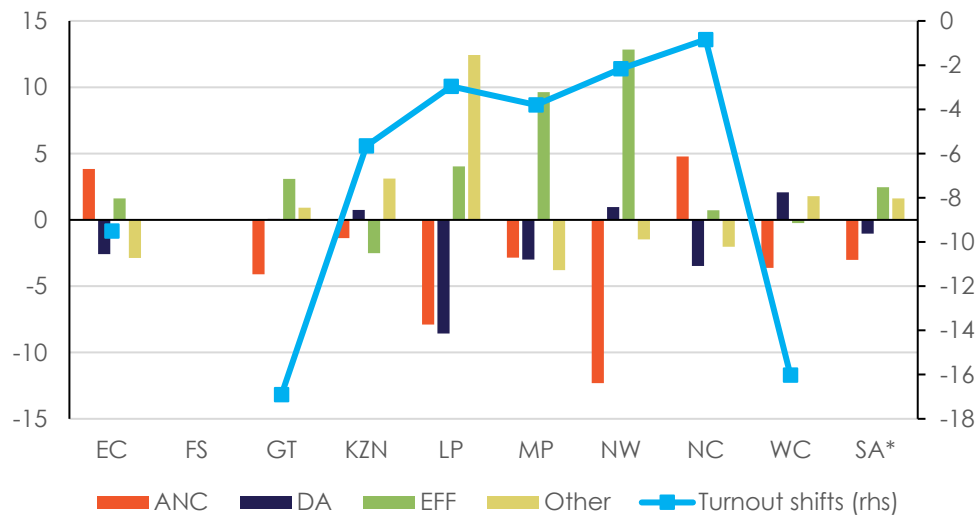
Figure 2: By-elections swing momentum monitor – first derivative vs second derivative of swing



Source: Intellidex, IEC

What figure 2 indicates is an interesting “coincidence” between the worsening of the EFF’s performance and the improvement of the DA’s especially, and to a lesser degree, that of the ANC, the IFP and smaller parties. That no party is declining at a fast pace, highlights that the expected slump of the ANC will be gradual and not dramatic. In addition, one is left wondering how ActionSA’s performance would have been affected by contesting more by-elections. Perhaps contesting certain by-elections helps the party’s overall performance, as the party undoubtedly opts to contest by-elections in wards where it stands a good chance of performing well.

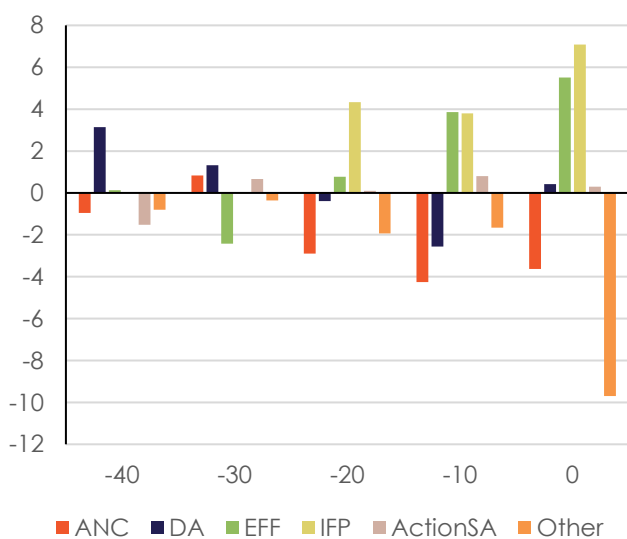
Figure 3: Provincial breakdown



Source: Intellidex, 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. Note that there have been no byelections in Free State.

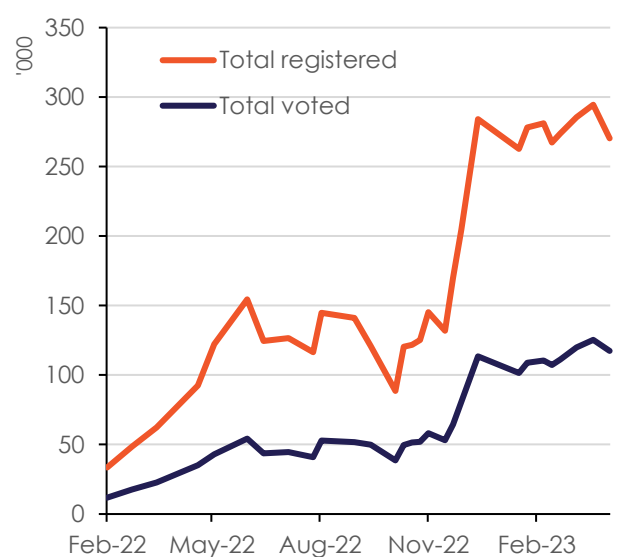
As one would expect, the ANC's performance is better in rural provinces, especially those that it has historically dominated such as the Eastern Cape, Northern Cape and Mpumalanga. What is interesting though is the EFF's generally good performance most notably in Mpumalanga and the North West. In both these provinces, the party is the official opposition. This is in addition to Limpopo, where the party's good performance is unsurprising given that its president and his deputy originate from the province. Also noteworthy is the DA's poor showing in the rural provinces of Limpopo, Mpumalanga and the Northern Cape. Additionally, the party's performance tends to improve in low turnout scenarios.

Figure 4: Swing by turnout



Source: Intellidex, IEC

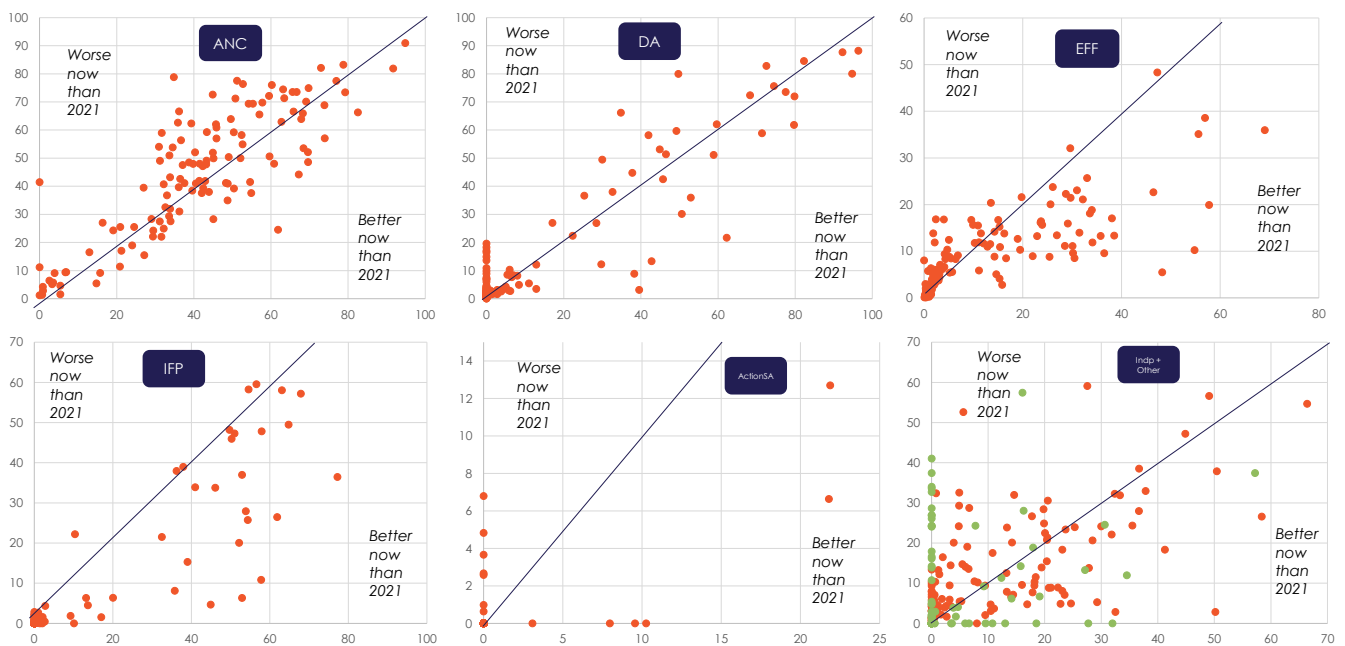
Figure 5: Total electorate in rolling sample



Source: Intellidex, IEC

Following the losses it suffered in 2019 and 2021, the ANC was adamant that the explanatory factor was that “people stayed away” and opted not to vote. Figure 4 however shows that the impact of voter turnout was minimal on the party’s performance. As we have already indicated, one party whose relationship has a negative correlation with voter turnout is the DA. On the other hand, the EFF appears to perform slightly better when voter turnout is higher. This can be explained by the reality that the EFF must absorb the votes that are shed by the ANC mainly in order to substantially grow. As such, it is better served by high turnouts, which give it a chance to receive the vote of those dissatisfied with the ANC. This is also the case for smaller parties, whose fortunes improve significantly when voter turnout is high.

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



Source: Intellidex, IEC

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 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 see 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 occurs except to exclude one recent ward the DA held that they didn’t stand in by error which created a large distortion in the result.

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