

Unfulfilled expectations and the emergence of the EFF

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Populism in politics is not a new phenomenon. It has been present for as long as democracy has been in existence. As far back as the time of ancient Greece, Plato remarked on the dangers of populism in democracies. Paraphrasing Plato, “The demagogue gains power by democratic means, claiming to be a champion of ‘the people’ and making wild promises; in particular he offers intoxicating quantities of the neat spirit of independence”. It is clear that populism in democracies has been a recurring feature.

However, the last decade has seen a resurgence in populist politics. New parties have sprung up in Europe promoting relatively populist policies. The UK independence party (UKIP) for instance, sprung from obscurity to win 163 in the 2014 local elections, and 27.5 percent of votes in the 2014 European parliamentary elections. In Greece, the far-left SYRIZA party also burst out from relative obscurity to win 3.3 percent of votes in 2004 and rising to 27 percent of votes in 2012. The five-star movement in Italy is another example. All these parties sprung up promoting some far right or left policy, such as immigration or leaving the European union. The rise of populism is not restricted to new parties too, as in many countries well established parties and political systems in general have taken on a populist tinge. Radical leaders have sprung up in Venezuela, Ecuador, Philippines and the United States.

The question then, is why populism is resurging. Authors have tried to tackle this question using different approaches and different contexts. Many explain the rise as a side effect of the rapid expansion of globalization. Rodrick (2017) for instance argues that the advanced stages of globalization were bound to produce political backlash. He argues that the tilt towards redistributive policies is in some way responsible for this. Evidence from other authors provide support for the influence of globalization. Autor et al (2016) for instance show that the China trade shock aggravated political polarization in the US with districts affected moving either further right or further left depending on which way they were leaning. Becker et al (2016) also find that in Britain, austerity and immigration had similar effects, increasing the Brexit vote. Colantone and Stanig (2016) also show that, again in Britain, regions with larger import penetration from China had a larger fraction of people voting to leave the European Union. Colantone and Stanig (2017) show that the phenomenon is repeated across many European countries where a trade shock played a significant role in support for nationalist and right-wing parties.

In this paper, I examine the effect of unfulfilled expectations on the emergence of populist parties, specifically the Economic Freedom Fighters(EFF) party in South Africa. The EFF launched in 2013 and went on to become the third largest party in South Africa, winning 6.35 percent of the votes in the 2014 general elections. Most of the votes were taken from the majority Africa National Congress whose share reduced from 65.9 percent in 2009 to 62.2 percent in 2014 culminating in the loss of 15 seats in parliament. The EFF was formed as a breakaway faction of the dominant African National Congress youth league. The party officially promotes a socialist ideology claiming to gain inspiration from the Freedom charter promoted by the ANCs founding members. The cardinal pillars of the party however take on an extreme populist tinge with the expropriation

of land for redistribution without compensations, the nationalization of mines, banks, and other strategic sectors without compensations, free education, housing, healthcare, and sanitation, and massive protection of the industrial sector promoted as its major policy objectives (Mbetse, 2016). In the global context, the EFF operates similarly to other far left parties such as the SYRIZA party in Europe, with guerrilla tactics, aggressive campaigning, and general disruption used as tools to achieve popular support.

I provide evidence on an important factor behind the rise of populist parties in South Africa, specifically the growth of the EFF. I show that municipalities with higher levels of unfulfilled expectations are more likely to vote for the EFF, and are more likely to reduce their votes for the ANC. Unfulfilled expectations in this context is defined as the difference between the fraction of the population earning below an income threshold, and the expectation of the fraction of the population below that threshold given the level of education in that municipality. I use the long-term decline in the mining sector in South Africa as a source of exogenous variation in the likelihood that a given municipality would have higher levels of unfulfilled expectations. The results add to the literature on the rise of populist movement in South Africa and around the world, and on the factor behind changing voter behaviour.