

# SA stands at the edge of an ethical precipice

BY PATRICK LAURENCE

The drive by the ruling African National Congress to transform South Africa – to make the racial profile of public and private institutions reflect that of the population as a whole – has had two unintended and deleterious consequences.

Roger Southall, a distinguished research fellow at the Human Sciences Research Council (HSRC), identifies them as pervasive corruption and, partly as a by-product of corruption, increasingly malfunctioning state institutions. He does so in his contribution to the HSRC publication, *State of the Nation, South Africa 2005/6*.

Southall states that the ANC government's drive for greater representivity through its affirmative action and black economic empowerment policies has "spawned a culture of entitlement" among the beneficiaries of racial preferment.

While he does not quantify the proportion of beneficiaries who are infused by a sense of entitlement, he clearly adjudges it sufficiently substantial to have an adverse impact on South Africa.

Reinforcing the culture of entitlement is another factor: the still large number of black people who were disadvantaged by the apartheid educational system and who, unable to compete effectively for top positions on the open market, "scramble for public office". Elucidating, Southall, a former professor of political studies at Rhodes University, says: "Party and state positions are regarded as providing access to private wealth."

Aware of the sensitivity of the ANC government in general, and President Thabo Mbeki in particular, to accusations that corruption is rampant, especially when the accusers are whites, irrespective of whether they are conservatives or liberals, Southall acknowledges that the government has taken steps to curb corruption and to protect the "public fiscus" from would-be looters.

He itemises some of the counter-measures. They include the Financial

Management Act, the Prevention of Corruption and Combating Corrupt Activities Act and the regulations requiring legislative representatives and civil servants to declare their financial interests.

But even so, Southall argues, quoting Richard Calland, an Institute for Democracy in South Africa analyst, South Africa stands on the edge of an "ethical precipice" as evidence accumulates that corruption is becoming embedded. The problem, he contends, is not a deficiency of formal anti-corruption measures but a lack of political will to combat corruption vigorously and ubiquitously to neutralise the sense of entitlement and discourage the "scramble for wealth".

To substantiate his view, Southall cites the reaction of the ANC government to the multibillion-rand arms deal and the "Oilgate" scandal. On the arms deal he observes that British and European arms companies, anxious to secure contracts to sell state-of-the-art weapons to South Africa, subjected South Africans in positions of influence to heavy political pressure, sweetened where necessary with inducements or, in plain language, bribes.

But, Southall argues, faced with disquiet that South African ministers and/or officials might have been suborned, the ANC government reacted defensively and used party disciplinary measures to "hobble the hitherto independent parliamentary standing committee on public accounts and blunt its investigative capacity". He characterises the joint investigation ordered by Mbeki as "widely derided as a whitewash".

Southall takes a tough line on the "Oilgate" scandal, which involved the transfer of R15 million of public money from PetroSA to Imvume Management, a private company headed by a known ANC notable, who promptly transferred R11 million to the ANC – barely three months before the 2004 national elections.

He observes: "The ANC's response was that there was nothing wrong with a pri-



vate company making a donation to a political party – as if Imvume's payment was not sourced from state funding."

The conclusion that he draws is the saga "suggests the ANC's preparedness to combine an appropriation of state resources with the subordination of state institutions to the party".

Southall is scathing on the report on Oilgate by Lawrence Mushwana, the public protector, who cleared PetroSA of wrongdoing and declined to investigate the role of Imvume in transferring the R11 million to the ANC on the grounds that it was a private company and therefore not within the parameters of his mandate. He accuses Mushwana of "kow-towing to his political masters". He notes that the ANC used its majority on the minerals and energy parliamentary committee to endorse Mushwana's report, even though the standing committee on public accounts had declared the payment of R15 million by PetroSA to Imvume to be "procedurally irregular".

He describes the ANC as "ambivalent" about taking determined action against its representatives and officials who have business interests that might conflict with their constitutional duties.

Southall's overview is not an unrelent-

ing tale of woe or unremitting chronology

of problems. He concedes that on the macro-economic front the ANC has made substantial progress. He quotes an International Monetary Fund study that itemises the achievements: sustained gross domestic product growth, improved productivity performance, greater integration with the global economy and progress in reducing poverty.

He is nevertheless concerned about signs of "dysfunctionality" in major areas of government responsibility. He refers specifically to the lack of capacity in the generation of power, the major problems in the public health system and hospital systems and the acute and seemingly ineradicable corruption and incompetence in the department of home affairs.

In her foreword to *State of the Nation*, Olive Shisana, HSRC president and chief executive, describes the publication as a mechanism for dialogue and public debate. Southall, who is leaving the HSRC to take up a post with the sociology work unit at the University of the Witwatersrand, has given South Africans plenty to think about in his valedictory monograph.

● *Patrick Laurence is the editor of Focus, the journal of the Helen Suzman Foundation*



**Dr Olive Shisana, the head of the HSRC, says the *State of the Nation* publication is intended to stimulate debate**

PHOTOGRAPH: ROGAN WARD