

Corporate corruption is met with silence from usual critics

**FAIR
PLAY**

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IT IS GENERALLY accepted that corruption has become such a serious challenge that it is beginning to have a negative impact on South Africa's nation-building effort, as well as on its international image or reputation. It is for this reason that the ANC and its alliance partners have identified the fight against corruption as one of their priorities alongside creating decent work, fighting poverty, promoting rural development, education and health, and combating crime.

The government has established a range of corruption fighting programmes and institutions. Consequently, most of the high-profile cases of fraud and corruption, including senior people from within the ANC and the government, are brought to light by law enforcement and criminal justice agencies. This, if anything, is a clear demonstration of the government's commitment to combat corruption.

The most relentless critics of corruption in the public sector come from the mainstream media, as well as the main opposition parties. This, of course, has to be welcome if it is a genuine and consistent watchdog role that they are fulfilling, as it keeps public servants on their toes. These critics, though, never seem to give credit to government efforts to combat widespread corruption, even where there is verifiable evidence proving this point.

There are efforts to paint every public official, servant or institution – unless these happen to be in the Western Cape under the DA government – as being corrupt. Whenever an incident of possible corruption by the government is reported, it is taken as a fact that needs little or no verification. But corruption happening under the DA government is given the benefit of doubt, with numerous opportunities given to the DA to present its side of the story.

More recently South Africa has been hit by a damning revelation of widespread corporate corruption involving, but not limited to, massive tender collusion and price-fixing amounting to billions of

rands. Much of this corruption targeted government infrastructure programmes leading up to the 2010 soccer World Cup.

This organised crime, according to preliminary reports, involves major corporate players in the construction industry who siphoned off much-needed public resources. It should be noted that much of this investigation was conducted by the government law enforcement agencies.

The Competition Commission is also considering these cases of anti-competitive behaviour that tend to squeeze out small and mainly black businesses from taking part in multibillion-rand infrastructure development projects. Reports of this massive syndicated organised crime by the big corporate entities made a brief "non-headline" appearance in print media but mysteriously vanished never to be reported on. Preliminary revelation of such massive fraud and looting of much-needed public resources has attracted little attention from the mainstream media. Even more interesting, the usual fierce critics of government corruption from opposition ranks and from an army of watchdog groups have reacted with silence to what may be the largest, most unprecedented corruption case.

Some media that tend to dedicate a huge chunk of their budget in pursuit of a corruption story have vanished. The relentless pursuit of such stories by investigative journalists and the exposure of the personalities involved is absent as they lack the appetite to utilise the available material from law enforcement preliminary findings.

This also takes on a racial dimension: when Bobby Motaung and other black businessmen were charged with tender irregularities involving Mbombela Stadium in Mpumalanga, they were detained and paraded in front of cameras for the world to see. But with the big corporates involved, we have not seen any evidence of such publicity stunts. Where are the champions of equality before the law and fair administration of justice when they are needed most?

The aforementioned cases demonstrate that corruption is a society-wide problem in both the public and the private sector, and should be confronted with equal vigour wherever it manifests.

The silence of the mainstream media and opposition critics when such corruption is unearthed in the corporate sector may suggest something more sinister or a blind spot for those who would define corruption as being synonymous with the government or public sector and efficiency as the preserve of the private corporate sector.

There is a racial dimension to this if you factor in our colonial and apartheid past. In our public psyche, we have always been socialised in a manner that suggests criminality and being black are associated.

It is for this reason that corrupt activities under the DA government in the Western Cape are given the benefit of the doubt with all the airtime and space given to its leaders to present the context and rationalise their actions. In contrast, with the ANC government a suggestion that there may be corruption is taken as a proven or expected fact until proven otherwise.

Instances of price-fixing, tender collusion and overcharging of citizens are not limited to this scandal. The fixing of bread prices by Tiger Brands and others, the excessive bank charges, the above-the-market rate cellphone charges indicate a widespread practice with a sense of impunity.

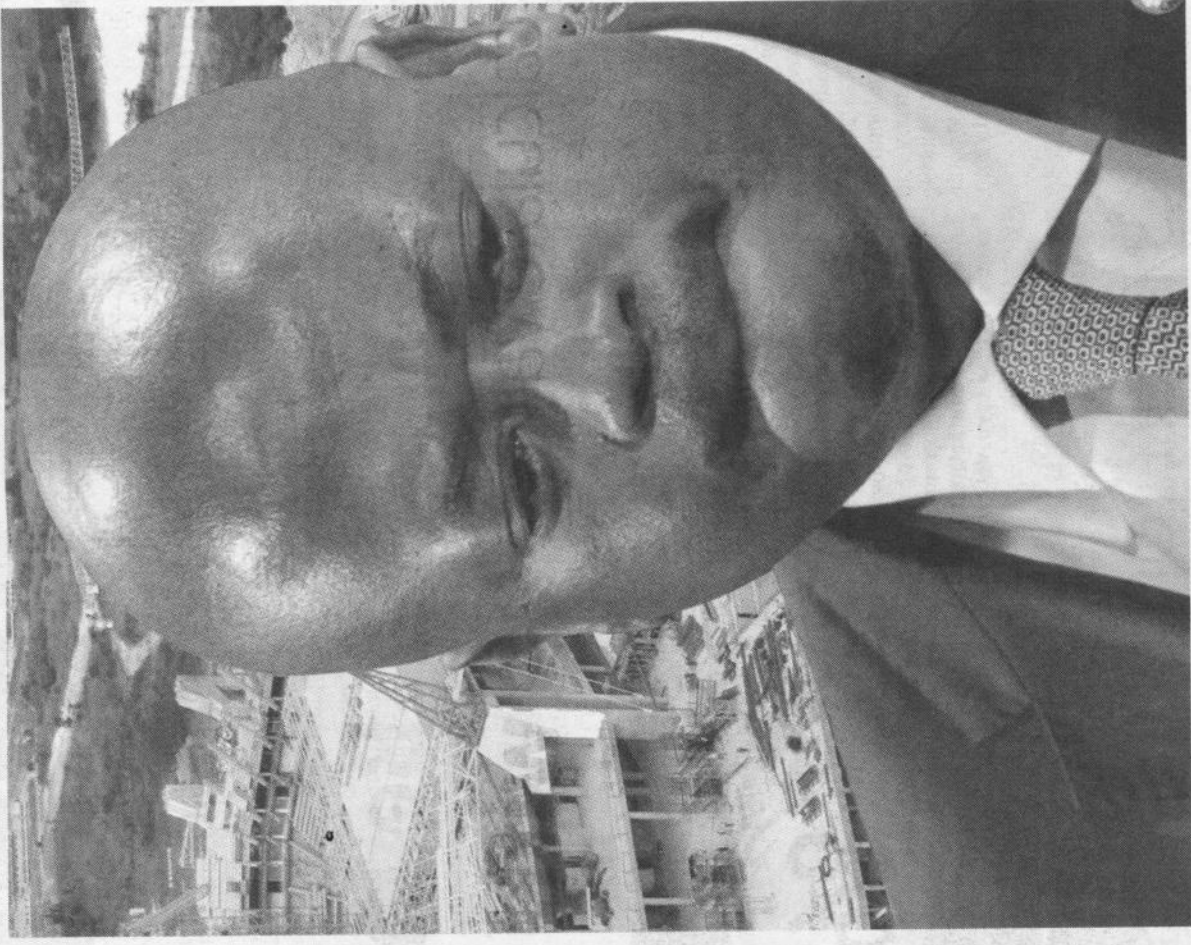
Corporate greed and corruption is an international phenomenon that is, to a large extent, responsible for the current global financial crisis that is wreaking havoc around the world. The scale of corruption and its impact on the ordinary citizens of the world is unparalleled.

The monopoly corporate sector has the advantage of having one of the greatest concentrations of power and a stranglehold over each sector it controls. This sector also funds some political activities and media outlets. It is for this reason that mainstream media find it difficult to confront the big corporate sector with the same passion, relentlessness and vigour as they do the public sector. Moreover, most mainstream media are owned by big corporates, so they dare not upset shareholders – so much for the adage of "speaking truth to power".

Much of the wealth is still concentrated in white hands, which are still controlling the commanding heights of our economy. This also explains the racial dimension of how corruption is depicted as being a largely black phenomenon.

When the late Brett Kebble was reported as linked to and funding the ANC Youth League leaders, he graced the front pages of newspapers as being a rogue businessman, but suddenly vanished from the headlines once it was reported that he had also donated money to the DA. With the Gupta business's donation to the DA, it is déjà vu as history repeats itself.

The above narrative simply instructs us to be fair, consistent and honest in exposing and tackling corruption wherever it rears its ugly head, be it in the private or the public sector, as all these rob resources



Bobby Motaung could not avoid the media when he was charged with tender irregularities.

from the very poor ordinary citizens.

Big corporates should be stripped of their licence of immunity and impunity when they do wrong, as they often impose opportunity costs by siphoning off public resources. They should be subjected to the same scrutiny as the public sector.

The second point is that we must be vigilant not to succumb to our subconscious racial biases of colour-coding the criminality of corruption, especially given our racial past. War against corruption should involve all of us without fear or favour.

One would like to conclude by invoking a great African liberation icon, Amilcar Cabral, when he says: "Tell no lies, claim no easy victory."

As the government and regulator of the built environment, we shall watch with interest as to how the present scandal in the construction sector plays itself out. Can we expect to at least name and shame the big corporate wrongdoers? What is the appropriate punishment for collective corporate

crime and looting in a key economic sector? More importantly, what is the way forward? How do we collectively purge fraud and corruption from the public and private sector?

To enhance investigative and forensic capacity to enforce compliance and bring to book corrupt individuals will be a deterrent. Probably more important is the need to put in transparent and robust supply chain management systems that make it easy for weak people to do the right thing and difficult for bad people to do the wrong thing.

If we can emerge from the present corporate scandal in the construction sector with a commitment from all stakeholders to clean governance and put in place the processes and checks and balances to enforce this, then something good will come out of this. From the government's side, the commitment to tighten up procurement processes – referred to in the State of the Nation address – is key.

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