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Civil engineering body slams lack of ethical leadership

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THE South African Forum of Civil Engineering Contractors (Safcec) has issued a stinging rebuke about the lack of ethical leadership in the country and its impact on foreign direct investment.

Webster Mfebe, the executive director of Safcec, said yesterday this applied to both the public sector and the private sector, referring to collusion in the construction industry.

"That cannot be regarded as ethical," he told the Captains of Construction and Infrastructure conference at the African Construction and Totally Concrete Expo in Midrand.

Mfebe said this was why Safcec, as an industry board, had taken steps to convince the companies concerned to plough back the benefits to black contractors.

This is a reference to the agreement reached between the government and seven listed companies in terms of which the firms agreed to contribute R1.5 billion towards development projects and committed to promote transformation and black participation and ownership in the sector.

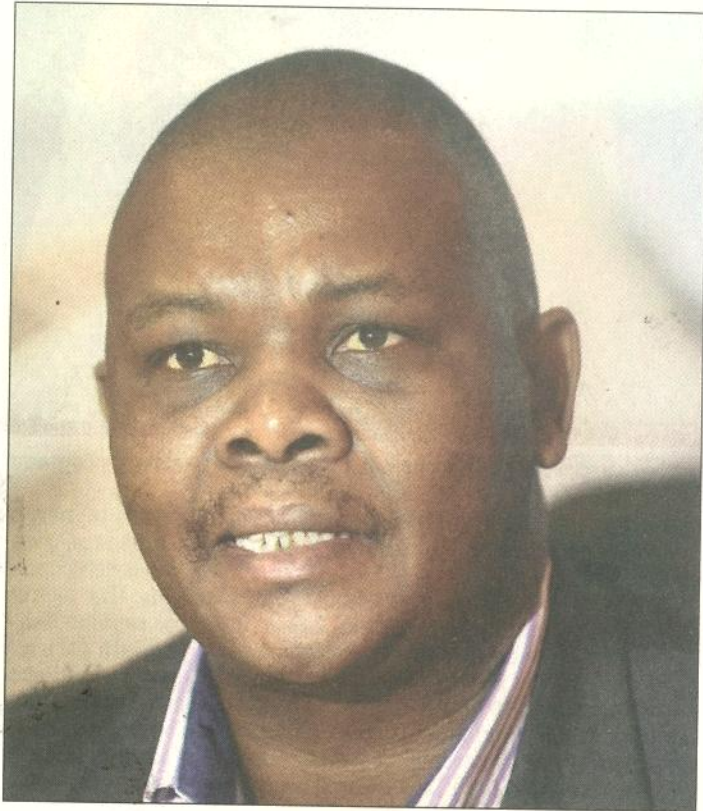
Mfebe added that leadership that displayed predatory and kleptocratic tendencies had to be removed.

"This is what is called kakistocracy, which is government by the least qualified or the most unprincipled individuals," he said.

Mfebe said investors' perception of the political environment was important and political stability played a key role in influencing investors' choices and rating agencies.

He said any perceived political instability would affect investor sentiment, because infrastructure projects were long-term and provided low returns.

"Nobody is going to get engaged in a project over 10 years when there is no sem-



Jacob Mamabolo, Gauteng MEC for Infrastructure Development, says the constitution contains checks and counter-checks to deal with different situations that could arise.

PHOTO: NOKUTHULA MBATHA

blance of stability that is either perceived or seen.

"The issue of ethical leadership that is empathetic to the needs of its citizenry is very important. A leadership that has honour, integrity, the trust of the people, and that unites the nation around a single vision," he said.

Jacob Mamabolo, the Gauteng MEC for infrastructure development, said the constitution contained checks and balances to deal with different situations that could arise in the country and its institutions.

"I don't think we can go to that point that will create an impression of a country imploding. Investors could have abandoned South Africa a long time ago without its vibrant legal constitutional framework and these counter-balances.

"I'm quite confident we will not reach the point where we

are a kakistocracy," he said.

Mfebe stressed the importance of getting rid of "red tape" and ensuring that the various levels of government worked together and did not fight "for their own territory" to attract foreign investment.

He said a business case could be made for public-private partnerships (PPPs), because some success had been achieved with them.

Mfebe said PPPs were introduced in 1998, and a total of R65.3bn had been spent on 31 PPPs.

"Although (the amount spent on PPPs) has declined from R10.7bn in the 2011/12 financial year to R4.8bn in the 2016/17 financial year, there is a case (for them)," he said.

Mfebe added that National Treasury had acknowledged the need to streamline their processes for PPPs.