

# Address by Zwelinzima Vavi, on his appointment as Chairperson of the National Anti-Corruption Forum

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Colleagues in the National Anti Corruption Forum

The community of the UNISA

Ladies and gentlemen

It is an exceptional honour for me to be here today to accept my election as Chairperson of such an important body. I thank all those who have supported me and I promise to do everything in my power to advance our aims and objectives.

I want from the onset acknowledge the sterling contribution of the outgoing chairperson of the NCAF, Futhi Mtoba. She has made an important contribution in the struggle to defeat the scourge of corruption in our country. This contribution was not limited to chairing our collective effort as the NACF but she has also played a critical role as the President of BUSA. During her tenure at BUSA, she ensured that the business community highlighted the need for ethical behaviour by business in its dealings with government and in its dealings with society at large. For this we salute you Futhi Mtoba as you step down as the chair of the NCAF. I will rely on your wisdom and experience as the new chair.

It is appropriate that we are holding our summit just one day after World Anti-Corruption Day, which commemorates the signing of the United Nations Convention Against Corruption on 9 December 2003.

The fight to defeat corruption is one we cannot afford to lose. The old meaning of the word is "the process of decay and putrefaction" of a formerly living organism. If corruption is not defeated it will indeed mean the decay and ultimately the death of the living body of our democracy. For some, it is a matter of life and death, as people are being literally killed for exposing and preventing corruption.

The modern sense of 'corruption' is defined as the "dishonest or fraudulent conduct by those in power, typically involving bribery, or the action or effect of making someone or something morally depraved."

So it covers not just financial transactions, such as bribery, tender-abuse or the theft of public funds, but also other immoral conduct, such as human trafficking, sexual abuse of learners by teachers, or the torture of suspects by police. All such conduct, if not checked, threatens to destroy the foundations of our democracy.

One of the biggest difficulties we face however is that while everyone – government, business, labour, civil society, all political parties and religious denominations - are unanimous and vehement in condemning corruption in principle, none of us are doing enough to turn principles into action on the ground.

Last year the NACF itself committed us to a 12-point Plan of Action, to recommit ourselves to anti-corruption initiatives and programmes aimed at realising an agreed National Anti-Corruption Strategy and develop a comprehensive education, awareness and communication campaign to promote an ethical culture, develop an improved understanding of the many facets of corruption, and the contributions being made to combat this scourge.

The ANC resolved at Polokwane in 2007 that it must provide leadership to society as a whole in the fight against corruption, and that South Africa should continue to promote its anti-corruption values and interests in continental and international structures.

The problem is however that despite all our fine resolutions, the problem remains endemic. In Transparency International's corruption perception index for 2012 South Africa now ranks 69th out of 176 countries. We have fallen 31 places since 2001 when we were 38th out of 91 countries.

This index measures perceived levels of corruption in the public sector, bribery, the abuse of public resources, secrecy in decision making, anti-corruption laws and conflicts of interest in respect of government officials.

While this is a survey only of 'perceptions', there is plenty of evidence to suggest that the perceptions are based on reality. As my comrade David Lewis, the executive director of Corruption Watch, says: "the results are not surprising, as the survey echoes what we hear in the thousands of reports from ordinary people confronting corruption daily".

Fellow delegates

Only last week, six people were arrested for defrauding the Buffalo City municipality in the Eastern Cape, of R11.8 million.

The former head of the Special Investigating Unit (SIU), Willie Hofmeyr, has estimated that the government loses up to R30bn to corruption every year. The SIU told the City Press last December that it currently had almost 1 000 individual investigations under way. Almost 600 of these relate to procurement, and involve contracts worth more than R9 billion.

The unit is investigating 360 conflicts of interest on contracts, valued at R3.5 billion. It suggests that up to 20% of government's procurement budget was being lost to corruption – and therefore lost to delivery.

The Auditor-General (AG), Terence Nombembe's, latest audit report for 2011/2012 painted a grim picture of rampant incompetence, maladministration and waste of public money. It gave clean audits to only 5% of municipalities. Not one of the metropolitan councils - and no councils at all in the Eastern Cape, Free State, Gauteng, Northern Cape and North West - had clean audits.

Even more worrying is the AG's finding found that at least R11 billion was incurred by municipalities in unauthorised, irregular, fruitless and wasteful expenditure, nearly double the R6bn in 2009-10.

The consolidated provincial figures in the AG's report also revealed that R1.15 billion worth of contracts had been altered and extended without apparent reasons and contracts worth R658 million were awarded without competitive bids. Councillors, municipal officials and their family members pocketed R814m from illegal municipal deals and were not brought to book.

He identified a key reason for these problems as the "lack of consequences for poor performance and transgression". In other words, those responsible are getting away with it. No-one is being held to account. There are absolutely no consequences!

Significantly he points out that 72% of supply chain management contraventions - such as unfair bid processes, unsigned contracts where money is paid to suppliers, and unexplained contract extensions - were only identified when the his own staff audited the municipal books. Nobody in the municipalities themselves seemed to have noticed, or did notice but were either implicated or afraid to speak out.

The theft of such huge sums of money helps to explain why we see so many angry and often violent service-delivery protests in our poorest communities. Residents believe, rightly or sometimes wrongly, that money budgeted for schools, houses, clinics, running water, sewers and roads is not being used for these purposes but siphoned off into the pockets of greedy, corrupt councillors and their co-conspirators in service-delivery firms.

The AG's findings are echoed in those of the Public Service Commission (PSC), which revealed the shocking statistic that the cost of financial misconduct to the state in 2010-11 was R932m, up from R346m in 2009-10 and R100m in 2008-09.

In 2010-11, 838 senior officials were charged with financial misconduct, compared with 689 and 652 in the previous two years. This report leads us to one of the critical problems – that in 2010-11 20% of senior managers in the Department of Co-operative Governance and Traditional Affairs 19% in the Department of Transport and 17% in the Department of Public Works had interests in private firms.

That is why we should fully support the PSC's call that public servants should be banned altogether from doing business with the government. They must choose either to serve the public or to go into private business but never the two at the same time. The same rule should apply to union and civil society leaders

I agree with PSC director-general, Professor Richard Levin, that it is not sufficient for public servants to be allowed to do business with the government provided that they declare their interests, which, as he says, is often not complied with or enforced.

As the Professor said: how can these officials possibly do their work for the state when they were involved in so many outside activities? I also support his proposal for lifestyle audits of key staff, and audits into employees' indebtedness.

Like the AG, he referred to the "culture of no consequences" in the public service which allows corruption to flourish; and he argued, rightly, that in the absence of a total prohibition on doing business with the government, offending heads of departments and senior managers should at least be charged with misconduct for failing to disclose conflicts of interest.

And, notwithstanding the constitutional right to equality before the law and the principle of innocence until proven guilty, why do ministers accused of serious offences not follow their consciences and voluntarily resign while the charges are investigated, rather than sit and wait until they are dismissed; this happens in many other countries?

I hope the government will act without delay on the PSC recommendations. There must be a zero-tolerance approach. But it is no less urgent to crack down on those in private business who collaborate in the corrupt misappropriation of public funds. We must never forget that for every public official who accepts a bribe, there is a business person who gives it.

We must change the mindset of those running our public bodies and re-establish a culture of public service, under which public representatives either serve the people honestly and efficiently, or resign and make way for others who will do so.

Fellow delegates

We need an urgent national debate on how we are going to turn round this disaster. The fundamental challenge is how to enforce the laws and bring those responsible to book. We are good at identifying the problems and formulating strong anti-corruption policies but then do far too little to implement them, and arrest and punish the culprits.

For instance the ANC's 2009 manifesto said we "will step up measures to ensure politicians do not tamper with the adjudication of tenders; that the process of the tendering system is transparent; as well as ensuring much stronger accountability of public servants involved in the tendering process", but the reports from the AG and PSC show that we are not enforcing such measures.

The Department of Public Service has developed guidelines for a cooling-off period of one year after a public servant leaves the public service before they can have an interest in businesses, which they formerly dealt with. I believe it should be five years, but wish that we could at least enforce even the weak one-year period.

We also clearly need to review the apartheid-era ministerial handbook so that it is based on our ethos of selflessness and not a licence for perks and luxuries. The former Minister of Public Service was instructed to review the handbook but we are still waiting for action on this.

Fellow delegates

Finally we must do much more to encourage and defend the whistle-blowers who are risking their jobs and even their lives to expose corruption. The recent conviction of the murderers of North West ANC councillor, Moss Phakoe, exposed the lengths that corrupt councillors will go to, up to and including murder, to cover up their crimes and silence those who blow the whistle.

How can we tolerate the spectacle we have witnessed recently of people demonstrating outside courtrooms in defence of someone accused of corruption, or even murder?

Some corrupt politicians and officials build political support by bribing people to back their factions, which are no longer based on ideological differences but on who has the biggest treasure chest to dole out favours. Leadership contestation is changing from being about the battle of ideas into battles for control of the public purse-strings.

We also must make absolutely certain that the Protection of State Information Bill will never be used to silence or punish whistle-blowers who expose evidence of corruption and crime, which is classified as secret. Corruption is wreaking untold damage on the moral fibre of the nation. If we do not have the political will to deal with this collapse in morality within society and cannot resolve this crisis no one will take us seriously when we say we are opposed to corruption. That is the challenge facing the NACF and South Africa.

The biggest challenge we face today is that too many South Africans have become cynical. They have stopped believing that we are serious about our public declaration that we will want to stop the scourge of corruption. To be honest it has become extremely difficult to counter the high levels of pessimism in our country. Every day we read new scandals involving the very leadership that should inspire our people.

My pledge as a chair is to develop a new sense of partnership - a new people-based campaign that must involve ordinary people to wage a relentless war against corruption irrespective of who is involved. This

campaign must mobilize every worker in government, every manager and more importantly every leader of government, business and civil society.

Every one of us must communicate a message that must be believed, that says - not every government worker, manager and government leader is corrupt. Not every business and leader of the unions and civil society is a crook.

We must demonstrate that the overwhelming majority are honest hard working whose contributions to build a better life is overshadowed by the few rotten potatoes who are however growing more powerful and who now through killings, factional politics that build a high wall of psychopaths that stand ready to defend the corrupt leaders.

As long as we are seen to be too scared and unwilling to challenge the growing power of the few who continue to damage the image of political organisations, business formations, civil society formations and more worryingly government, all of them will continue to be discredited. This task requires not just unity and new determination, but serious consistent action and resources.

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