

NEVA MAKGETLA: Tighter control of state purse is needed to stop temptation

Decision-makers and officials in government departments with huge budgets need to be subjected to regular lifestyle audits

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There is a well-known experiment where small children are left alone in a room with sweets and told not to eat them. Their self-restraint is measured by how long they hold out. Any parent would tell you this is bonkers. If you don't want children to eat sweets, don't leave sweets in reach of them.

The same applies to corruption. If we want to ensure decision-makers don't give in to temptation it's not enough to call for more discipline. Rather, we need to restructure decision-making systems to make it harder to indulge.

The past few years have offered a master class on how large-scale corruption functions. It centres, unsurprisingly, on well-resourced programmes: departments with major procurement budgets; the state-owned companies' huge build programmes; the Public Investment Corporation's (PIC's) black economic empowerment deals.

It is protected by a culture of secrecy across government. Democracy sought to bring in more sunlight through laws on information and administrative justice. But tenders and financial investments remained cloaked in claims of commercial confidentiality, making it easier to throw deals to friends.

In many cases, the public and officials have no simple and protected way to blow the whistle on sleazy decisions. Officials routinely block corruption by applying the existing rules on tenders and investments. But if a superior ignores them, they have no easy options.

People in jobs where corruption pays off often run very little risk of discovery. Few undergo lifestyle audits or bank account reviews. All senior officials and political leaders must disclose their financial interests, but there is no extra scrutiny for those in vulnerable positions.

Publicity by itself isn't enough. Many big payoffs have been revealed over the years by the media, whistleblowers and lawsuits. Yet the agencies charged with enforcement — the auditor-general, police, prosecutors, parliament and the cabinet — did not follow them up, for reasons ranging from inefficiency to political influence to their own venality.

A central problem is that individual ministers' jobs depend entirely on the president. As a result, many ministers who hounded corruption in their own departments kept their heads down when it came to national scandals.

More fundamentally, in a democracy the ultimate bulwark against open corruption is that voters will take action. The elections are the central backstop and, in practice, the threat of losing votes certainly helped move the anticorruption forces in the ANC into action. For many voters, however, overall economic injustice and inequality still outweigh concerns about corruption. Besides, elections only take place at five-year intervals.

The judiciary has proven an exception to the incompetence of constitutional structures in stopping corruption. In part, that's because judges must make all their decisions in public, giving reasons. They are also largely independent of the executive and embedded in strong professional traditions. As with elections, however, the slow pace of legal procedure means the rot can go very far before the courts stop it.

Analysis of corruption points to key ways to hobble it. An open tender system is a crucial step, requiring decision-makers to publish the criteria and reasons for selecting particular bidders. Similarly, the PIC should have to list and justify all of its unlisted holdings. In addition, big cost overruns on large projects should be automatically subjected to forensic audits.

The courts should have the power to require the National Prosecuting Authority to open a case after credible allegations of large-scale corruption. Judges should have more power to limit delays in major corruption cases. And the constitutional court should appoint the public protector.

A shortlist of state-owned company executives and public servants in vulnerable positions — managers of large budgets, tenders or funds — should undergo regular lifestyle audits. Their bank accounts, and those of their immediate family, should be subject to routine oversight in terms of the Financial Intelligence Centre Act.

No country has entirely wiped out corruption. But a combination of radical transparency in the public sector, oversight of vulnerable individuals and stronger mechanisms to promote investigations and trigger sanction would at least make it harder.

• *Makgetla is a senior researcher with Trade & Industrial Policy Strategies.*

