



DANGEROUS TIMES

By Ben Turok

Economic crime is at a “pandemic level” in South Africa, with “the highest rate of economic crime in the world over the last two years”, according to PricewaterhouseCoopers’ biennial Global Economic Crime Survey, which was released on 1 March 2016.

The survey revealed that the most prevalent crime was “asset misappropriation”, reported by 68 percent of the 232 organisations canvassed. “Procurement fraud” was reported by 41 percent, and “bribery and corruption” by 37 percent. It also found that the organisations’ detection and response plans are not keeping pace with the danger.

As much as we applaud the anti-corruption stance of Pravin Gordhan, our brave minister of finance, we seem to be running up an escalator that is quickly moving down, a modern version of Sisyphus.

The harsh reality is that corruption has seeped into many crevices of our society, not least into all three spheres of government. It seems that the top layers of government have signalled that looting and cronyism are okay, especially if it can be given a veneer of legitimacy in the form of “black empowerment”.

While there is no doubt that the need for black advancement enjoys broad recognition and support in the country, there are also serious concerns about the way BEE has created a new business class. Opportunists and tenderpreneurs have abused government procurement processes to feed fat pockets.

The ANC has generally considered black business to be part of the “motive



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forces of the revolution”, on the grounds that they have much to gain from the overthrow of the apartheid economy. It is, however, increasingly apparent that some elements have instead become the junior partners of white capital, learning at the table of those with long experience of manipulation and milking the public purse. This both slows down economic transition and reinforces the old system.

The current turmoil in the economy and in private and public sector governance has brought into question the essential character of the democratic transition of 1994. Several articles in this issue examine what Alan Hirsch has called “compromises and mistakes” in economic policy over two decades. Weaknesses are explored honestly and alternatives set out. This debate is very welcome and should assist us to address the problems and set a new course.

At the same time, we should not seek to cast blame on past leaders who indeed managed to bring South Africa towards democracy and peace. Even if they failed to craft an economic programme that could have led to better outcomes, critics must ask what they themselves would have brought out of CODESA under the conditions of those times. Let the economic debate continue, but in a positive spirit, seeking real change. After all, if we do not succeed in changing the fundamentals of our economic legacy, as well as the terrible distortions that have inserted themselves within that legacy, South Africa will become “junk” – not only in the appraisal of the rating agencies, but in reality as well. **NA**