



Is there a way out of this mess?

By Ben Turok



In a recent comment in Parliament, David Masondo, Deputy Minister of Finance, said that he was opposed to using prescribed assets to support SOEs since this might jeopardise working peoples' savings, implying that he had little confidence that the investments would pay off. This kind of concern is becoming the norm and surely is cause for great concern. Many of us have always believed that there is a critical need for state intervention in the economy and for good governance generally. But we are now faced with a deeply corroded system.

In a report to Parliament, Ronald Lamola, Minister of Justice, said that the office of the state attorney is plagued by poor performance, corruption and an uncoordinated structure, among other failings. Collusion between government attorneys and defence lawyers amounts to bribes and leads to unfavourable outcomes for the state. The rot is deep.

If there is any comfort in all the exposures of wrongdoing it is that

much of this is being exposed in public. We are rapidly waking up to reality and accepting the serious deficiencies in our system. Perhaps this is the first step to putting it straight.

In the lead article, Sam Ashman opens with examples of corruption through state capture, including bribes by Bosasa, theft from VBS, machinations at SARS and of course Zuma's sustained undermining of good governance. She gives a penetrating analysis of the political economy of state capture, setting out its roots in the system of accumulation with finance at its core and how this has blocked other development throughout the economy.

In another article, Michael Sachs analyses wealth in South Africa and shows that the vast amount of assets held by a small section of our population as physical and financial assets has its roots in apartheid exploitation, which has survived largely untouched under the ANC government.

Should we be surprised that this legacy and the associated poverty and unemployment have led to a period of deep concern about our policies and practices? It is also combined with a serious loss of direction in political parties, none of which are capable of presenting a reasonable programme for the future or evidence of the capability needed for sound governance.

The government has apparently adopted Tito Mboweni's economic document and we shall hear more of the same in the near future. While the document deals with a large number of issues, what emerges strongly is his concern about growth, which is referred to constantly even though sometimes prefaced by the word "inclusive".

Are they not tired of trying to promote the growth of an economy so skewed that growth only seems to strengthen those already riding high and is incapable of providing benefits for the rest? What has happened to all the aspirations for creating a society which benefits all, including the poor and unemployed? Those aspirations are by no means satisfied by welfare payments, helpful as they are to many.

In their profound article "The ills of financial globalization", Subramanian and Rodrik show how pursuing the tenets of neoliberal consensus leads to the "primacy of growth over distribution". Is our government following the same path?

The point we are trying to make here is that all the evidence points to a system that is in serious trouble and which requires more than tinkering with this or that variable. Our huge inequalities in wealth are intolerable, including the incredible gap between top managers and employees. Our legacy of social discrimination based on colour is unacceptable, including the persisting divide between affluent suburbs and desolate townships. Our state-owned enterprises, which are supposed to be engines for development, are actually serving as employment agencies for a small overpaid middle class. The public service has been allowed to slip into a dream walk where form filling and token effort is enough to bring in a stable income for officials.

All this points to an urgent need for civil society and progressive intellectuals to raise their voices and demand a much more serious effort by all concerned to rebuild our country on a better foundation. Let us work on that. **NA**