



A Global Forum



Mavuso Msimang

in conversation with
Ann Bernstein

In November 2020, CDE initiated a series of events to celebrate 25 years since its launch in August 1995. The series focuses on global conversations on democracy, business, markets, and development. This is the ninth conversation in the CDE@25 series.

Songezo Zibi, Acting Group Executive of Marketing and Corporate Relations at Absa and CDE Board Member, opened the event: "CDE turns 26 on Sunday, 8 August, but this series will continue, and there are many interesting speakers to look forward to in the future. This is testament to the value of these webinars, which continue to draw wide audiences from across South Africa and abroad.

"CDE has a reputation for speaking truth to power and is often commended for taking a bold and frank stand on crucial issues, rooted in both rigorous policy research and its widespread engagement with local and international experts. CDE has a vitally important role to play in South Africa and is positioned to make a critical impact to help the country emerge from the many crises we face today. The challenges around the intersection of politics and public institutions, and the issue of cadre deployment, have been increasingly regarded as a cause of our current troubles. The topic of today's discussion is, therefore, of particular importance, and one which will certainly be illuminated by the insights that, I am sure, today's esteemed guest will bring to the conversation."

Ann Bernstein: It's my great privilege to welcome Mavuso Msimang to our platform today. Mavuso has been a member of the African National Congress (ANC) for over 60 years, and for some of that time has served in very senior positions in the organisation. Today, he is Chairman of Corruption Watch. Having served as Director General of the Department of Home Affairs, as well as CEO of South African National Parks (SANParks), the State Information Technology Agency (SITA), and South African Tourism (SAT), he has immense experience relating to our democracy, and the restructuring and transformation of its institutions.

Welcome to this discussion, Mavuso. I want to start by asking what you think happened with respect to the terrible chaos, looting, loss of life and destruction of so many people's livelihoods that took place in July? Was this an attempted insurrection, a plot to destabilise our society and, in effect, overthrow the President? Where are we now with respect to these terrible events?

Mavuso Msimang: Let me start by thanking you for the invitation to talk on issues that I believe are of grave importance for our future. With respect to what happened in July, as soon as it was known that Jacob Zuma had been imprisoned, a group of saboteurs, members of the ANC, unleashed a series of pre-planned incidents that included blocking roads, destroying infrastructure and communication systems, and looting. The intention was to embarrass the mainstream ANC leadership they opposed, and they succeeded in temporarily paralysing the economy.

Ann Bernstein: A week ago, you made a very strong statement; the only one of its kind. You said, "We, of the ANC, have visited upon the nation a veritable winter of despair which led to death and destruction. It mostly punished the poor, a high percentage of whom we, the ANC, have created on our watch because of inappropriate policy options and misgovernance." You then said that the ANC should apologise to the nation for the July insurrection. Can you explain your thinking and why you are arguing for that apology?

Mavuso Msimang: The sabotage and the resulting mayhem in July were entirely of the ANC's making. There are members of the ANC, some of them serving on the National Executive Committee (NEC), who say they would like to see the kind of Radical Economic Transformation (RET) of the economy the current leadership is not implementing. They say the ANC leadership is friendly towards 'white monopoly capital', which Jacob Zuma opposes, hence his persecution by the justice system on the pretext that he has broken the law. So, when he was jailed, they decided to 'protest' in the way they did. Then there was the uMkhonto we Sizwe Military Veterans Association (MKMVA), whose members proclaimed that they would go to Nkandla to defend Zuma and prevent his arrest. It is disgruntled members of the ANC who primed the violence that took place in KwaZulu-Natal (KZN) and parts of Gauteng in July. The attempted insurrection was sparked by ANC members who, if you wanted to be kind, the ANC was unable to rein in. This resulted in public disorder that, beyond the economic

damage caused, resulted in extensive loss of lives. Had the ANC effectively dealt with its internal differences, the tragedy that befell KZN and Gauteng would not have happened.

Ann Bernstein: Are you confident that the ring leaders will be arrested? Some people think that there's going to be a second phase of this trouble. How confident are you that we are out of this now?

Mavuso Msimang: Honestly, I am not sure. I was discouraged to learn that only 12 unnamed people had been arrested. I got a sense that the police and intelligence services were not on top of the situation. The people who said there would be consequences if Zuma was arrested were known. Surely, they would be of interest to the police. The people arrested for looting and vandalising shops were at the tail-end of the public disorder. The initiators of the catastrophic events we experienced have gone silent now, but are known. I do not know what they are planning to do next. Counter-accusations by the police and intelligence service members are not reassuring.

Ann Bernstein: Let me turn to a different topic that you've written about, one that is not often talked about with ease in South Africa: 'tribalism'. Being a Zulu man from KwaZulu-Natal, do you think the president was right to talk about an ethnic mobilisation? Do you worry about these tensions in South Africa?

Mavuso Msimang: Everybody who lives in South Africa, should be worried that we have not really doused the flames of tribalism. I have always been concerned about these issues, including, in particular, the ethnic tendencies that surface within the ANC. Senior people, apparently progressive politically, are now heard referring to their comrades as 'minorities'.

By calling South Africans whom the apartheid regime subjected to different forms of oppression 'black', the United Democratic Front (UDF) and the Mass Democratic Movement came up with a politically appropriate description, I thought. It did away with potentially divisive and harmful racial appellations so beloved of racist governments of the past; categorisations that served their divide-and-rule strategies. Now this harmful 'throwback' has surfaced again. While there may be justification in applying apartheid-style race categorisations to track social and economic progression during the democratic era, there is absolutely no place for this in politics.

Regarding the KZN and Gauteng upheavals, the President did refer to ethnic mobilisation, although he subsequently changed his tune. Indeed, many of Zuma's supporters were predominately ethnic Zulus. But I think the people who came together to cause the chaos were united not by ethnicity, but rather by their RET agenda. Nothing in the plotters' actions, as I understood them, was ethnically rooted. To his credit, Prince Mangosuthu Buthelezi intervened and sternly rebuked members of the traditional Zulu regiment, led by Zihogo Nhleko, when it went to Nkandla to join Zuma supporters who had assembled there. Police reported gunshots being fired from the Denver and George Goch hostels, predominantly Zulu areas. A meeting was also held at Kwa Mai Mai to discuss the Free Zuma campaign.

Ann Bernstein: Let's turn to another difficult issue. Do you think that the ANC has done enough to root out corruption in the Party and in the State during the past three-and-a-half years of President Ramaphosa's rule?

Mavuso Msimang: People talk about the Zuma years as wasted, but they were really nine years of devastation, during which state-owned organisations, criminal justice institutions, municipalities, parliament, state departments, and the ANC itself were all hollowed out. An institutional breakdown of this magnitude is not easy to reverse. We now have an embattled government that needs to deal with difficult social problems and an economy that has been wrecked.

President Ramaphosa intervened fairly decisively in certain instances, especially in the first two years of his presidency. We now have credible heads of the National Prosecutorial Authority (NPA), the South African Revenue Service (SARS), and the Special Investigating Unit (SIU). We are beginning to see clear activity in the SIU – the corruption unit there appears to be working very well under difficult conditions. It has not been easy, but some progress has been made.

A lot more now needs to be done. The fact remains that we still have people in the NEC and in cabinet who are heavily implicated in corruption. A party committed to rooting out corruption should not have such people within its senior ranks. The people who have stepped aside, as should be expected, are pitifully few. These realities make people question whether the ANC is seriously committed to the fight against corruption.

Ann Bernstein: Is there anything at the top of your list, concerning corruption, that you would like the government to prioritise?

Mavuso Msimang: At this difficult, uncertain time, one would expect the President to reassure the public that he is in control of both the party and the country, and to deal with the things that should be resolved within the ANC. At the heart of ANC disunity is corruption. The unity the President so desires cannot be forged with venal thieves. I do look forward to the conclusion of the Zondo commission and the publication of its eagerly awaited report. That should greatly help the ANC weed out the corrupt.

Ann Bernstein: It is indeed a very difficult situation, and it's hard to know whom to trust in this situation. Let me turn to the NPA, which you've already mentioned. The President has appointed a new head, Adv Batohi, as part of his undertaking to get rid of, as you put it, people responsible for the 'destructive era'. But do you think the government has given the NPA enough funding? Has the organisation really turned the corner – do they have the right priorities and strategy? For most South Africans the big question is probably why it is all taking so long. Why is nobody yet in jail when so much has clearly been stolen? How do you see the NPA?

Mavuso Msimang: I think part of the constraint stems from the legal requirement to protect employee rights. Adv Batohi is fully aware of this and finds herself obliged to work with a team that includes some bad eggs who cannot, in the absence of strong evidence, be removed from their positions. She does have to get good people in. I would hope that, given our crisis situation, the powers-that-be will give her the resources she needs. It is crucial that the NPA gets to a position where it can put together water-tight cases against people who have caused so much harm to the wellbeing of the country. You can imagine how demoralising it would be to have corrupt people escape justice on technicalities. The NPA has a tough job on its hands. I really wish a lot of people were behind bars already.

Ann Bernstein: Let's stay with the issue of corruption and turn to the private sector. I think many people, myself included, were shocked at how many private companies were party to the corruption and terrible looting of public money in South Africa. It is clearly the purview of the State to investigate and charge those against whom corruption allegations have been made, but do you think that the private sector has done enough to deal with corruption in its ranks? Is there something more that they could be doing?

Mavuso Msimang: There is absolutely no doubt about the complicity of the private sector in the mega corruption that has blanketed South Africa. To be sure, a political system and public service that function ethically are a bulwark against corruption. We know how companies like Bain, McKinsey & Company, KPMG, EOH, Bosasa, Trillian, etc. exploited, and in some cases induced, public officials to earn illicit income. The government should not continue to do business with these companies, and should, at the very least, ensure that the funds they looted are recovered. It is also inconceivable that the banks which held Gupta accounts were unaware of illegal transfers that ran into millions of rands, made by notorious Gupta companies. Management companies, auditors, and law firms should disclose acts of corruption in their annual reports.

Ann Bernstein: Of course, some companies have done that, others have not done enough. I agree that we need to know more about this. You are Chairman of Corruption Watch, an organisation devoted to looking at corruption across society and doing something about it. This is a very important role. What have you learned about corruption that you didn't know before, or that you think we should know? Is there anything that really struck you as you have become more focussed on this issue that you would like to share with us?

Mavuso Msimang: Grand corruption is usually at the forefront of most discussions on the subject – the Guptas' hijacking of the State, and the actions of companies like Transnet and Eskom. But the reports made by ordinary people to Corruption Watch make one aware of the petty corruption that is pervasive across our society – people being compelled to pay bribes to get medication at non-fee hospitals, policemen colluding with drug dealers, people paying money to jump queues for social housing, the Department of Home Affairs allowing the entry of undocumented people into the country, and so on.

The monies obtained through these acts of corruption go right up the bureaucratic ladder – everybody must be greased. Corruption Watch has received around 34,000 reports on corruption of this nature since 2012, over 200 of which were made this year alone. People are also telling us that the most corrupt institution is the police – the very people to whom they must report crimes. This situation demoralises people, who consequentially lose confidence and trust in government.

Ann Bernstein: I don't follow everything that Corruption Watch does, but I was certainly shocked at how many cases were being reported from the education sector, which is really just terrible. Let's talk about cadre deployment. There has been some recent debate on this. COSATU has said that it should go; the Democratic Alliance argues that it facilitates corruption; one senior ANC person has said that cadre deployment was all about transformation which, according to the numbers, has been achieved in the civil service. The President, however, told the Zondo Commission that cadre deployment was something that was here to stay. What is your view on this? Is it really possible to fight corruption and maintain the ANC's approach to cadre deployment?

Mavuso Msimang: I think the initial intention was to build a capable and strong state by selecting the best people – those with the required expertise, as well as the commitment and zeal to get the job done – to serve in positions in a manner that did not encroach on the public service system.

Unfortunately, that is not how things panned out. In fact, ANC cadre development is an unmitigated disaster for South Africa. Mostly strapped for cash, the ANC has used its entrenched position in government to place people who will do its bidding and facilitate the awarding of tenders to shady people in the hope that they will pass on some of the money to the organisation. People are given non-executive board positions in state-owned companies, not always on merit. The same applies to senior management positions.

The first cohort of Director Generals were, overall, qualified and competent cadres who were committed to implementing social and economic programmes designed to ameliorate the conditions of the poor. So were the ministers. With the passage of time, less competent ministers were fielded, many of whom would throw their weight around resulting in the exodus of Director Generals and other senior civil servants. It is critical that civil servants serve society at large. Hopefully, the recently announced restructuring of the civil service will address these aberrations.

Ann Bernstein: The questions I am posing are quite difficult and I feel privileged to have an opportunity to talk to somebody with your long experience in the ANC who is prepared to speak so frankly. Let me continue pressing my luck and ask you why, if senior ANC members knew about the Guptas and state capture as far back as 2011, they only decided to do something serious about what was going on in 2016, when the voters started turning away from the party? Do you think there was more that senior people in the ANC could have done before then? Do you think that the NEC, Cabinet Ministers, or even the veterans, could have done more, or spoken out more?

Mavuso Msimang: I have no doubt that we could have acted much earlier and certainly taken a firm stand against the Gupta state capture project. The leadership in its entirety was aware of the problem. It was too conspicuous for anyone not to be aware of it. The Gupta family's relationship with President Gedleyihlekisa was the stumbling block. Many leaders, some directly, others indirectly, owed their continuing income to a friendly relationship with Zuma. That's really what it was. Kgalema Motlanthe calls it the 'politics of the stomach'.

It has to be said, throughout this period a group of brave people in senior structures fought hard for the right decisions to be made against state capture and other manifestations of grand larceny. Their dissenting voices were drowned by the chorus of raucous Zuma supporters and by the silence of fence sitters. Some lost their jobs in cabinet for taking a principled stand against corruption. Others were marginalised. It is thus important to recognise those who took a principled stand and challenged the Guptas even though they ended up losing their jobs as a result. It would be really unfair to tar everybody with the same brush. Pravin Gordhan, Mcebisi Jonas, and Derek Hanekom are some of the people who lost their ministerial posts during never-ending reshuffles. It was thanks largely to people who were assigned to the finance ministry as executives that the Gupta raid of the exchequer was stopped in its tracks.

When it comes to ANC veterans, at best their authority relies on 'moral suasion'. Once the leadership, in its majority, had decided that conscience and the ANC's traditional values of integrity no longer had a role in their politics, the veterans had very little chance to stop the drift into the abyss. For instance, their call in 2016, for the holding of a national consultative conference that would include members and non-members, to discuss and resolve the grim challenges facing the organisation were simply brushed aside.

A bit late in the day – although it is said it is never too late to do the right thing – the NEC did ask the top six to ensure that a list of people who were tainted by corruption was drawn up for presentation to the integrity commission of the organisation. The leadership is still tussling with the implementation of its conference resolutions on member malfeasance.

Mavuso Msimang in conversation with Ann Bernstein

Ann Bernstein: I'm going to ask my last, tough question. You know the ANC intimately. You've been an ANC member for almost your entire adult life. What do you think the odds are of redeeming the organisation, or is it in inevitable decline?

Mavuso Msimang: I wouldn't still be in the ANC if I thought it wasn't redeemable, but that's not to say that it won't be a very, very steep climb back to normalcy. The ANC carries too much history for it to be easily abandoned, at least by those who believe in its intrinsically good values. Even in its weakened condition, it still carries the hopes of many. Incredibly, they continue to shun other parties and vote for it in the belief that it will yet sort out its problems. It is an institution, founded by many good, ordinary people. It can still play a positive role and rediscover its mission even if it ends up in the opposition benches because the electorate decided they had enough of it. I believe it is an organisation worth saving.

Ann Bernstein: Thank you very much for the time you've given us, and for the frank, informed, and very thoughtful views that you shared today. We really appreciate them. This has been a fascinating conversation.

Mavuso Msimang: Thank you very much for inviting me and thank you to all the people who participated in this webinar.

Mavuso Msimang very kindly answered questions participants put in the chat during the event and these are to be found in the appendix on page 6

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APPENDIX: Mavuso Msimang's response to written questions from the audience

Can the ANC undo its own Gordian knot...?

Unfortunately, the ANC is yet to find its Gordius who will, with a single stroke, either slice the proverbial knot in half or pull out the lynchpin running through the yoke to unfasten the knot. What is required are enough people in the ANC National Executive Committee (NEC) with the courage to call out the corrupt among themselves and within the membership at large; who will demand that appropriate disciplinary action is taken against people who compromise the integrity of the organisation, which should not preclude expulsion from the organisation. Also in demand is a leadership that appreciates that the interests of the broad community of South Africans matter a lot more than trying to forge unity with corrupt colleagues.

So, when will someone within your party take on the leadership, which is totally lacking?

If Q1 above were to be properly addressed, the leadership question would be resolved. Failure to achieve that will lead to the demise of the ANC as a governing party. The next elective national conference, set for some time in 2023, will not solve the problem unless the system of electing the organisation's leaders is changed. Currently, branch leaders elect six National Officers (often referred to as the Top Six) and the NEC. A one-member-one-vote electoral system would substantially reduce corruption, which is inherent in the current system.

What do you think is the reason for the apparent paralysis that our state security cluster demonstrated...?

I'm afraid I'm unable to answer that question. But we are witness to a situation in which there is open disagreement among security cluster ministers, open hostility between the minister of police and the police commissioner, and generally ill-discipline in the leadership ranks. This translates to poor coordination and ineptitude. The collapsing of the State Security Agency into the presidency suggests discord and poor leadership in that department.

What options do we as citizens have in light of the ANC's inability to run the state? In normal democracies the voters choose a different party. Maybe they do not see a viable alternative to the ANC.

Sorry, I have no other advice to give, really.

The (behaviour) of the ANC does not inspire investor confidence.

I completely agree with you.

The vast majority of MK veterans are not like the MKMVA.

I fully agree with you. MKMVA have not been doing what they were established to do, namely, to ensure that the welfare of genuine MK veterans and their families, especially the very large number who have no viable means of subsistence, are looked after. A special department of military veterans was created by an Act of Parliament to see to the provision of housing, medical support, child education and other needs specified in the Act. It is the responsibility of MKMVA to find ways of working with this department to assist bona fide veterans register for these benefits. The MKMVA have, instead, become an ANC political faction that has declared support for former president Jacob Zuma. For many years, the ANC allowed disreputable people to lead the MKMVA. Only recently did it dissolve the organisation after considerable damage to the ANC's image was caused.

How did Jacob Zuma end up becoming president?

The answer is very long. Suffice to say that there was a time when Zuma was thought good enough to become a senior ANC leader. During the struggle for liberation he was jailed for ten years for his political activities. He played an important role in the recruitment of ANC cadres for military training abroad. He also played an even more important role in bringing about peace in KZN in the early 1990s when ANC and Inkatha Freedom Party supporters engaged in deadly conflict that claimed scores of lives. Zuma's leadership shortcomings were ruthlessly exposed in several corruption and ethical scandals in which he got involved. His election as ANC head marked the beginning of a sharp decline in the moral authority of the ANC and public confidence in the organisation. His friendship with the corrupt Gupta businessmen enabled them to extensively loot state funds and hollow out state owned enterprises.

But we still have a lot of incompetent ministers.

That is very true. It is the responsibility of President Ramaphosa to make sure they perform to requirement, or be fired.

I notice that the "branding" of the violence that took place in KZN and Gauteng is subject to contestation. How would you, Mr Msimang, brand these acts of violence?

I agree with you that the authorities concerned are using different terminology to describe the nature of the mayhem that took place in KZN and some parts of Gauteng in July. Whatever term is used, some facts are beyond dispute. First, the acts of sabotage that sparked the widespread destruction and looting were carried out by an ANC faction that wanted the ANC leadership to stop the imprisonment of Jacob Zuma. So, the motive was political and the dispute internal to the ANC. The aim was to embarrass the (ANC) government and cause it to lose public confidence. This was to be realised by crippling the economy and paralysing the road and communications systems. At the time of writing some 337 people are reported to have died as a consequence. It's difficult to think of a more serious crime against the state and its people.

Mavuso Msimang in conversation with Ann Bernstein

These acts came closest to my definition of treason, namely, the crime of betraying a nation or a sovereign by acts considered dangerous to security (from English law).

Could the ANC's reluctance to prosecute corruption be because some of the money flows into the ANC, and they need the finance?

Sadly, there is evidence to the effect that money obtained by certain ANC leaders through association with corrupt companies has been used to fund ANC activities and events, such as constituency gatherings. Monies have also been contributed to ANC coffers by people now facing criminal charges for corruption (e.g., the asbestos case in Bloemfontein). It is also generally known that 'tenderpreneurs' have been awarded contracts against the expectation that they would donate a portion of the profits they make to the ANC. So, the ANC has benefitted from donations made by corrupt people or companies.

Banks had to know about illicit transfers by the Guptas...

You are absolutely correct. It took very long, though, for the banks to come forward with information about the illegal financial transfers by the Guptas. Other enablers were multinationals like auditors, law firms and management consultants.

The population of the African continent is overwhelmingly young. Should the old continue to govern the continent?

The failings of African leaders are not necessarily a consequence of their advanced age. Some of the leaders are dictators who won't voluntarily give up power. (We have one not very old one in a neighbouring country.) Others are plain, downright corrupt, etc. There is a lot to be gained from having good, experienced leaders. However, there is a lot to be gained by electing to leadership positions educated and knowledgeable young people.

The role of technology in the modern economies and the crucial use of advanced communication technologies greatly favour political leadership of modern states by younger people in the population who have the requisite savvy.

Cadre deployment is an inherently corrupt practice – according to the World Bank.

There's nothing wrong with cadre deployment per se. Many countries practise it in one form or another. In fact, the two biggest economies in the world, the USA and China, practise a well-defined cadre deployment system. In a multi-party system of government, political parties vying for the governance of the country commit themselves to implementing certain programmes, if elected to government. It makes ample sense to allow them to select their best people to play leadership roles in relevant civil service areas to guide the implementation of their programmes by the state bureaucracy.

What is of utmost importance is that mechanisms are put in place to shield the bureaucracy from subversion by sectional party interests. If anything, in fact, the civil service should be tightly attuned to the national development programmes. However, the state must never be allowed to be partisan.

The ANC's cadre deployment programme, such as it is, is a travesty. It lacks any institutional framework; there are no criteria for the selection of deployees and there are no specified target areas that require intervention. I'm not aware that it is based on any operational rules. There is no impact assessment or outcomes measurement of the strategy. And, of course, it lacks transparency.

The result is that it has lent itself to abuse and corruption. If that isn't its intent, the result has been that persons placed in the civil service structure and SOEs act in the narrow interests of the party. It precludes professionals who happen not to be members of the party. It's a disaster.

What is your view of BEE legislation? Is it achieving the desired outcome and is the cost to the economy acceptable?

It is said that the road to hell is built with good intentions. After centuries of exclusion from participating in the colonial and apartheid economies, it was essential that the democratic state gave black people the opportunity and means of participating in the economy as entrepreneurs and small businesspeople. Broadly stated, that was the rationale for passing Black Economic Empowerment (BEE), later redefined as Broad Based Black Economic Empowerment (BBBEE).

While opportunities have been created for black entrepreneurs, the programme lacked proper conceptualisation and a sound implementation strategy. It became open to abuse and gave rise, on one hand, to a class of 'businesspeople' who soon came to be known as tenderpreneurs. Many became middlemen with no plan to acquire any business skills, who used their eligibility as black people to get government contracts that were carried out by established white businesses. On the other hand, big business used the opportunity to access government tenders. It also offered ruling party politicians board positions to mute their call for real empowerment.

In short, the system has been comprehensively abused and has been very costly to the economy.



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