

NATIONAL CONFERENCE APRIL 1993



PRESIDENTIAL ADDRESS

Queen Elizabeth II of Great Britain declared that 1992 had been "annus horribilis" – a year she would not look on with undiluted pleasure. For somewhat different reasons than those besetting the royal family, most South Africans agreed that the past year has indeed been "annus horribilis" for them too. The nation has been decidedly pessimistic and gloomy. There were moments which seemed to infuse enthusiasm and hope such as the "yes" vote in the white referendum in March, the resumption of negotiations at Codesa 2, and Elana Meyer's success at the Olympics. But the gloom has persisted.

There were a number of reasons for our despair: the breakdown in political negotiations, the continuing political and criminal violence, the poor state of the economy and escalating unemployment, the rise of economic crime and run-away corruption, and the decline of public ethics. No wonder we were depressed. I would like to briefly touch on some of these issues, but also to look at some of the remedies.

Negotiations

The March 1992 referendum was a boost for F. W. de Klerk, and for a negotiated settlement. To quote the post-referendum *Weekly Mail*: "Pinch yourself South Africa: democracy is coming within months. The overwhelming mandate white voters gave to the Convention for a Democratic South Africa (Codesa) has removed the last major obstacle to the dismantling of white minority rule." But by mid-May it became clear that the ANC and the government had been advancing toward very different goals. The ANC was negotiating a transition to majority rule; the NP was trying to prevent it. Codesa 2 collapsed.

For the next nine months formal multi-party negotiations were abandoned. In that period much political jockeying occurred, as the various parties sought to gain the upper hand and increase their support base.

The nation waited anxiously, increasingly frustrated and angry, as hopes of a peaceful settlement seemed to fade. Bilateral negotiations, particularly between the government and the ANC, have continued, despite numerous incidents bound to derail these talks. The economy continued to go deeper into recession, and acts of political violence further fuelled uncertainty and fear. It became clear that if this process and the economy were to be rescued, there was no time to waste. These are some of the factors that have convinced parties to go back to the negotiating table. Today (1 April 1993) multi-party negotiations will resume with 25 parties participating, this time including the right-wing Conservative Party and the left-wing Pan-Africanist Congress.

Though some substantial differences remain and many of the details still have to be negotiated, what is on the cards is a Transitional Executive Council which should be in place by the end of May. A date will be set for national elections, likely to be in the first quarter of 1994. The ANC

and the government seem to be reaching agreement on a government of "national unity" – a softer term for power-sharing, but not the sort envisaged by the NP. The system of proportional representation, with a threshold of 5 per cent to gain admittance of party representatives to the cabinet, will ensure that the government consists of several parties. This could mean (according to recent polls) 13 or 14 ANC ministers, 4 or 5 NP, two PAC and one each for the Conservative Party and Inkatha Freedom Party. These proportions would be reflected in the Constituent Assembly. Apparently the ANC put forward these proposals after they had carefully analysed the balance of forces within S.A., and realised that there were certain realities that they could not ignore. For instance, would they be able to govern a country with a defence force and a police force that owed it no allegiance? Similarly with the business community and the whites – the ANC estimates that it would only win 10 per cent of the white vote. Reality thus forced the ANC to accept the situation that there had to be a "joint national effort" for at least five years to arrest the crisis in the country and to turn things around.

There is a spirit of cautious optimism around. It is amazing how circumstances have changed in the past year. The lack of accountability to the broader public of Codesa 2 was a cause of great concern to us at that time. Today a reasonable negotiated settlement that will bring some peace and stability, even if it is brokered in private essentially by two parties, seems like manna from heaven. But we must be vigilant, power politics is no substitute for democratic practice. A government of national unity, while it does have the advantage of including a number of parties, essentially lacks an opposition of any significance. A weak opposition can result in politicians with unfettered power. Highly undesirable.

Violence

Violence, both political and criminal, has continued to erupt and people continue to die. There are numbing statistics that indicate what a brutal society we are. Last year 283 140 people were assaulted – that is one in every 70 South Africans. And 20 135 people were murdered – which is one in every 1 000. That makes our land the "murder centre of the world".

Meeting here in Pietermaritzburg brings home to us the harsh realities of a province that has been at war for several years. People continue to be murdered and communities destroyed in appalling acts of politically-instigated violence, which are the highest in the country.

Bringing violence under control is crucial. Very determined efforts are being made, and there are numerous initiatives underway. The Peace Accord structures at last are becoming effective. Working alongside these structures, since July, have been international monitors from the United Nations, the OAU, the European Community and the Commonwealth as well as local monitors from networks such as Peace Action and the Network of Independent Monitors.

Purging the S.A. police, the SADF and the armies of the liberation movements of those who are not committed to peace, and retraining those who remain is a longer term and more complex task.

Encouraging signs are the recent statistics which show a decline of political violence in the Transvaal: large-scale massacres and attacks mounted from township hostels have decreased, and train attacks, the hallmark of the "third force" behind the violence, appear to have come to an end. There also appear to be promising peace initiatives in Natal – did the slaughtering of six children on their way to school finally bring people to their senses?

Economic Crime and Corruption

South Africa is said to be experiencing the worst economic recession in more than 80 years.

We are also in the grip of an economic crime wave. It has become evident that the scale of corruption, fraud and financial mismanagement is vast and involves all sectors of our society from

governments, to the private sector and also non-governmental organisations. The country is being cheated to death as it strives to forge a post-apartheid society.

What is also worrying is the warning that the Mafia and organised-crime syndicates are moving into South Africa. There is already talk that the Hong Kong triads are distributing drugs in Cape Town, and have contacts at every level of our society. We tend to be so obsessed with our political problems, that we ignore another cancer that could well corrupt and bankrupt the nation, if not checked as fast as possible.

We are not alone in our problems with corruption. The *Guardian* points out that "from Europe to the Far East, we can look onto a positive panorama of corruption, with the money politics of Japan and Italy, the help yourself corruption of deregulated Northern Europe, and the looting of public assets in the former soviet states".

Recent figures estimate that **private-sector fraud** alone over the past eight years has stripped this country of some R350 billion (KPMG Aiken and Peat) – the equivalent of the value of this country's entire production of goods and services last year.

Some major financial scams, such as the collapse of Masterbond groups, the Cape Investment bank, Supreme Holdings and the Fundtrust financial group have been investigated, but there are said to be millions more cases of fraud that are yet to come to light.

Stealing money is not new. Ten years ago Denis Etheridge, a former director of Anglo American, warned that "wide-spread corruption was rampant among South African businessmen".

There has been a substantial increase in reported fraud complaints – from 33 101 in 1986 to 58 572 in 1992 – an increase of 77 per cent in that seven-year period. These figures do not tell the full story, as many economic crimes remain undetected or unreported.

Non governmental organisations have not escaped the rot. Two senior officials in the NCCR were recently fired on suspicion of fraud, and officials of FAWU in the Western Cape were dismissed because of attempted fraud.

Corruption in all levels of government also appears to be rampant. In recent months there have been official investigations into "irregularities" committed by officials of the Johannesburg and Pretoria City Councils, councillors in the Vaal Triangle, Baragwanath and Groote Schuur hospitals, Midrand Council officials, Deeds Office officials in Cape Town – the list is endless.

"Official" fraud has been disclosed through reports of the Auditor General or special commissions. Over the past two years there have been investigations into allegations of theft, bribery and fraud involving the departments of Health, Finance, Education and Training, Correctional Services, Foreign Affairs, Justice, Customs and Excise, Transport, Armscor and the S.A. Defence Force including huge payments made to members of the CCB. In his latest report (for 1991, released 22 February 1993), the Auditor-General disclosed that:

- The state-operated third-party accident fund (the Multilateral Motor Vehicle Accidents Fund), which is administered by the Department of Transport, is now R3 billion in the red because of bad administration and fraudulent practices. Attorneys, insurance assessors and a policeman have so far been arrested. The Fund's income is provided by the special fuel levy which is incorporated into the petrol and diesel prices. The price of these fuels has just been raised in the latest budget.
- Further investigations are underway in the Department of Transport for the alleged bribery of transport officials, corruption and theft at Jan Smuts Airport, large-scale squandering of money and improper allocation of state subsidies to a transport company. R35 million government compensation was paid to the Bophuthatswana Transport Holdings when its buses were idle during a ten-month boycott. There are allegations that certain department officials are on the

board of a parent company, Bophuthatswana Transport Investments. Concern was also expressed in a preliminary report that the department seems to own huge amounts of property – after expropriation of farms for building of roads – but no assets register had been found.

- The homelands are in a financial mess, and they are unlikely ever to be able to repay their debts which are guaranteed by the South African government. This means of course that the taxpayer will have to carry the burden. The “independent” homelands of Transkei, Ciskei and Venda owe R3,3 billion in loans and overdraft facilities and the six non-independent homelands have debts and overdraft facilities of R478,7 million.

The financial mismanagement in the homelands includes the inability to keep within financial guidelines, overspending on salaries (all of their officials are paid on an equal basis financially with their counterparts in S.A., i.e. the Commissioner of Police in Lebowa enjoys the same rank and pay as S.A.’s Commissioner of Police and the Chief of the SADF) and spending on buildings which are not used, such as three police stations in kwaZulu which cost R1,5 million each and six primary schools and a high school which cost R2 million.

There are allegations of wide-spread corruption in three Transkei parastatals, the Transkei Road Transport Corporation (TRTC), the Transkei Broadcasting Corporation (TBC) and the Transkei Development Corporation (TDC). TRTC general manager, Michael Hoskin, was attacked and shot by TRTC guards after he had made allegations about wide-spread corruption in the corporation.

Former auditor-general Peter Wronsley had on several occasions criticised the reluctance of the government to act more forcefully and had proposed fiscal action to enforce order in the homelands. “The failure to adopt these proposals has undoubtedly contributed to the undisciplined conduct of the recipients of aid.”

In response to the recent disclosures, F. W. de Klerk said that legal action would be taken against wrongdoers. He said that simultaneous disclosures of corruption in more than one department were “disconcerting”, but the way that the government was handling the issue should instil confidence in the international community. That is just not good enough, and is symptomatic of a government that has been in power for too long – of an administration in decay.

Corruption of Ethics

It is common at times of uncertainty such as these, that those who have the means or the opportunity to, will take what they can while they can, and very often run and disappear with it. Apart from the many forms of outright theft, there is great concern at the amount of state money that is being allocated to perks and payouts to those in government. There are sizeable redundancy or early retirement packages for civil servants, particularly the senior ones. There are the housing and car perks and pension schemes for the myriad of current politicians who will not make it in a democratic election. For example, Magnus Malan’s retirement package amounted to R400 000, tax-free, plus R16 000 and other benefits each month. The hands of future governments are being tied because of the burden that these debts will place on them. Unless there is a huge burst of economic growth, we will be bankrupting future generations.

But financial corruption is only a symptom of a much larger problem. We need to examine the system of laws and the form of government that we have lived under in the recent past to understand the roots of our problem.

The inescapable truth is that grand apartheid was a scam that enriched the few while impoverishing the majority. It pandered to the greed of those who were white and created laws to ensure their privilege. It set up a system of schooling that ensured that some people got better schooling than others at three times the cost. It hounded innocent people who had come to the cities to seek work because they did not have a “dompas” allowing them to be there, and put them into goal if they

couldn't pay the fine. It removed 3,5 million people from the places where they were living for no other reason than that they were black. How can a nation countenance such actions and not suffer a breakdown of ethics and conscience? To quote Phillip van Niekerk: "Why should a man like former Justice Minister Jimmy Kruger, who was left cold by the murder of Steve Biko at the hands of his own security police, give a damn about straight dealing in business?"

There are two other aspects to the system under which we have lived that have countenanced practices which we are paying for and will have a hard time eradicating.

First is the fact that one of the objectives of the National Party when it came to power was to lift the white Afrikaner from his impoverished state through a policy of "affirmative action". A systematically executed plan ensured that positions at all levels of government service were occupied by Afrikaners, those at the upper levels by Broederbonders. Big government contracts were mostly given to the faithful and funds of government departments were invested in Afrikaner-controlled financial institutions. Political patronage and nepotism such as this is not conducive to fair practice and provides very fertile ground for financial corruption. In the future, South Africa should embark on a programme of affirmative action aimed at achieving equality for those who have been disadvantaged by apartheid. I believe that it is important that affirmative-action programmes are not based on political patronage, and that they are ended once they have achieved their stated goals. Discrimination is a practice we have long fought.

The second, and more dangerous, practice, which reached its heights under the military notion of the "total onslaught", was the culture of secrecy. Tens of billions of rands were set aside in secret funds to counter this "total onslaught". This paid for a huge arms industry which F. W. de Klerk has now revealed included R8 billions worth of nuclear bombs. It also paid for a large army bent on the destruction of the enemy, the liberation movements. Under the veil of secrecy the most appalling acts of destabilisation, torture, murder, and disinformation were carried out by elements in the security forces. The truth is slowly emerging of the dirty tricks carried out by hit squads, a unit called "Hammer". It reveals the corruption of human beings at their worst. How can a state countenance these actions and not suffer a breakdown of ethics and conscience?

Towards a New Ethical Society

Someone recently said to me that corruption cannot be stopped, it can best be minimised. Given the pervasiveness of corruption in our society that might well be realistic, but I refuse to begin from that premise. What then can be done to purge corruption, particularly in government? Here are some suggestions:

- 1 Ethical values and practices must be promoted within the broad public, and the psychological perception that crime pays must be rooted out. Public servants, like all citizens, should understand their responsibilities, and be required to abide by a code of conduct.
- 2 Respect for law must be restored. This is a question of putting in place laws that are just and relevant and a reflection of societal values. Laws must also be able to be enforced. This requires having adequate investigative and enforcement capability within the justice system. It is totally unacceptable that those who are found guilty of crimes or malpractice should be allowed to continue to be employed or hold office within any level of government.
- 3 All levels of government should be open and accountable to the general public. Public servants should realise that they are servants of the public. Apart from open and accountable attitudes and procedures, this requires freedom of information legislation. Freedom of information laws allow any resident of a country to approach government for the information it is holding on any issue, person or organisation. Unless the information falls into an exempt

category (like national security) the government is required to supply it. A part of open government is a duty to give reasons for administrative actions, which is not so in S.A. at present.

- 4 Political answerability and accountability must be restored. The doctrine of ministerial accountability has been undermined in this country; ministers are now saying that there is no such thing. This principle holds that a cabinet minister should resign if serious corruption or inefficiency is found to have occurred in his department. It makes no difference whether he knew about it or not. There have been several scandals involving large-scale corruption and inefficiency in recent years, but no South African cabinet minister since Connie Mulder has resigned because of it.
- 5 There should be a vigorous and assertive ombudsman with adequate powers and budget and offices around the country.
- 6 Legislators and civil servants should be required to declare their assets and their sources of income, including the identity of companies for whom they act as consultants.
- 7 Finally, the most important brake on excesses and abuses in society is the general public, and the institutions that form civil society, such as voluntary organisations, neighbourhood groups, citizens' initiatives, development institutions, non-governmental organisations and those groupings who contribute toward the strengthening of a variety of democratic practices, values and traditions in society. The Black Sash is a part of that civil society, and every member has a role to play.

In Conclusion

I am surprised when people sometimes ask me whether there is still a role for the Black Sash. It would be wonderful to believe that we could now disband because transformation of the South African society has been achieved. We all know that, despite the many changes that have taken place in the past few years, this is not true. The past three years have shown us that it is going to be a longer, tougher process than we had naïvely hoped in early 1990.

The challenge that we face as an organisation today is to adapt to the changes and demands of the 1990s. This we have been trying to do over the past couple of years, but it is at this conference that some of this work will come to fruition. Drawing on our proud tradition, and looking to the future, we hope to adopt a vision statement that will capture the ideals that drive us, and aims and objectives that will focus our work.

When our film, "The Black Sash: The Early Years" was chosen from several hundreds to be shown at the Human Rights Watch Film Festival in New York last May, I was thrilled but surprised. I wondered why the story of this group of women should have been chosen alongside ones on torture in Guatemala, and the disappeared of Argentina. Then I realised that it is because 6 women, each phoned 6 other women who each phoned 6 other women and got a movement going that was about defending what was right and condemning what was wrong. And that is what all societies need, and precisely what our country needs too. We have earned respect for standing up and making our voices heard about the excesses and injustices happening in South Africa over the past thirty-seven years.

Our voice must continue to be heard.

Jenny de Tolly
Cape Town, 30 March 1993