Patronage and Corruption under the National Party and African National Congress Governments in South Africa, 1948-2000

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Abstract

This article argues that despite a change in government in 1994, there are continuities and parallels between the politics of patronage and political corruption under the apartheid National Party and African National Congress (ANC) governments in South Africa. The paper attempts to demonstrate this argument first by examining how the policies of the National party promoted patronage and provided an environment for corruption. Secondly, it argues that the policies of the ANC government have since 1994 facilitated patronage and encouraged corruption as well. The paper argues that both governments used public resources to promote the positions of their (disadvantaged) supporters and to build a support base. As well, they engaged in public corruption to serve both political and personal purposes. It concludes that such patronage and corruption have not been confronted effectively as they operate in the interests of consolidating the government.

Introduction

The central thesis of this paper is to consider patronage and corruption under the National Party and ANC governments in South Africa and to show the continuities and parallels between the politics of patronage and political corruption under the two governments. The use of policy- driven strategies of racial or ethnic preferment is not necessarily corrupt (and can even be regarded as legitimate) but does provide an environment in which corruption is likely to occur. Under both governments however, corruption -- the abuse of public office or resources for private and political gain by individuals or groups -- has often been linked to patronage, which entails 'the exchange of material benefits for political support' (Allen, 1999:377). Even comparative research and studies in the Third World and the Mediterranean (such as Italy, Portugal and Spain) suggest strong connections between corruption and patronage (Theobald, 1996; della Porta and Vannucci, 1999 and 2005). This paper examines specific links between patronage and corruption in both pre- and post-1994 periods in South Africa.

Patronage politics, or as it is often referred to as neopatrimonialism, existed under National Party rule. Neopatrimonialism is a term drawn from the notion of patrimonial authority (Bratton and Van de Walle, 1997). According

to Bratton and Van de Walle (1997:61), where patrimonial authority is in place,

> an individual rules by dint of personal prestige and power; ordinary folk are treated as extensions of the 'big man's' household, with no rights or privileges other than those bestowed by the ruler. Authority is entirely personalized, shaped by the ruler's preferences rather than any other codified system of laws. The ruler ensures the political stability of the regime and personal political survival by providing a zone of security in an uncertain environment and by selectively distributing favors and material benefits to loyal followers.

South Africa under the National Party government was a 'settler oligarchy' (Bratton and Van de Walle, 1997:81) where neopatrimonialism, a system that awards political and economic benefits to politicians and their followers, was used to promote the positions of supporters of the government as a way of building and consolidating support. Sole (2005:92) noted that the government 'was in a sense built on entrenched racial and ethnic (Afrikaner) patronage.' Van de Walle (2001:122) argues that 'one inevitable consequence of [neopatrimonialism] …was the emergence over time of corruption sanctioned at the highest levels of the [government].' Under the National Party government, corruption occurred and was derived from the patronage-based system. Patronage shaded into corruption (Sole, 2005; Hyslop, 2005). As Friedman (1995:534) noted, 'the central issue [of the National Party government was to use patronage politics] … to maintain control over the black majority.' Thus, Afrikaner capitalists' interests played a significant role in shaping the nature of apartheid in the 1950s (Posel, 1995:227). Patronage was at times connected to corruption and both were concerned with consolidating support for the government.

Similarly, the ANC government has used neopatrimonialism and patronage politics to promote the positions of its disadvantaged supporters as a way of building support. Equally, neopatrimonialism and patronage politics have (to some extent) since 1994 shaded into corruption. The actions of both the National Party and ANC governments explain the continuities and parallels in patterns of corruption (similar to those exhibited in much of post-colonial Africa) in South Africa today. Thus, Sole (2005:92) observed that 'it would … be unfair to ignore the legacy of apartheid rule for any assessment of current corruption, or the parallels and continuities that exist between the apartheid and democratic eras'. The use of patronage politics in South Africa and the failure to effectively confront corruption explain why anti-corruption agencies are generally ineffective in South Africa and the rest of post-colonial Africa. This is because public resources are used to promote the positions of government supporters and to build political support as well (Tangri and

Mwenda, 2006).

The subsequent sections evaluate the veracity of this argument and show how neopatrimonialism and associated corruption were used under the National Party and ANC governments in South Africa to build support and to promote positions of government supporters. The post-1994 discussion covers the years from 1994 to 2000.

Patronage and Corruption under the National Party

This section considers ways in which the National Party government through its policies facilitated patronage to promote the positions of its disadvantaged supporters as a way of building political support. Second, it shows how patronage politics under the National Party government shaded into corruption to serve both political and personal purposes. In South Africa, patronage and corruption have some bearing on what happened before and after 1994. Before 1994, the National Party government employed patronage in a systematic way to achieve two predominant objectives. First, it was concerned to use public resources to redress the historic disadvantages of the Afrikaner population in relation to English-speaking whites. And secondly, it used public resources to co-opt and reward conservative allies within the non-white communities in the hope that they would weaken the political opposition to white domination. The distribution of patronage came to be institutionalised through the structures of racial segregation in the apparatus of the Black Homelands (Bantustans) and black urban councils. As we will argue, this use of patronage fostered corruption.

In some ways, the National Party government even built corruption into its Homeland policies, allowing the Homeland elites to line their pockets to a far greater extent than was permitted in the national government (Friedman, 1995 and Lodge, 1998). Thus, apartheid provided an environment in which corruption was likely to occur. Skweyiya (1999:13) observed:

> the apartheid system was driven by a design that created the conditions and opportunities for corruption throughout society. Across the board, rewards and benefits were distributed on the basis of racial and gender discrimination. Because of the lack of accountability, public resources were used to buy political favour and entrench a dehumanising regime.

To this extent, the National Party government functioned largely on the basis of patronage, in ways that presented a parallel, albeit distorted version of the pattern found in most post-independence African countries. The government was used to dispense rewards and favours to the white minority and its allies for a whole variety of reasons and in a variety of ways, all of which inevitably fostered corruption and even crime. Thus, corruption in South Africa has - structurally and politically - a role in its past (Balia, 1999). The analysis that

follows elaborates this argument, focusing on key aspects of the apartheid government that were essential to the system of patronage and corruption.

First, the National Party government used patronage to improve the position of Afrikaners relative to other whites, through contracts, jobs, loans, and bursaries. As Friedman (1995:541) noted:

> for much of its forty-six year reign beginning in 1948, the National Party - with no serious electoral challenge - acted primarily as an ethnic patronage network, using public resources for the economic advancement of Afrikaner nationalists. In addition to negating central principles of democratic government, such as the requirement that public benefits not be distributed in a partisan fashion, the NP packed the military and the bureaucracy with its supporters, increasingly blurring the divide between party and state.

Thus, the bureaucracy was intentionally used to promote the interests of Afrikaners. For instance, in the 1950s, the Native Affairs Department made a determined effort to ensure that as many administrative posts as possible were occupied by members of the National Party, whilst the penetration of the Land Bank and agricultural cooperatives by members of the Broederbond in the 1960s meant that political factors would dominate in credit distribution (Lodge, 1998:164). Posel (1991:244) observed that 'co-operatives played a key role in assuring farmer's survival, by providing production loans needed by farmers to buy fertiliser, fuel, and seed'. Nhlapo (1999:64) states that:

> apartheid created a public sector culture which was bound to sustain the ethos and practices of corruption in the public sector. The fragmented nature of management structures – duplicate departments, bantustans and racially based local authorities – was conducive to the squandering of state resources and lack of accountability. For example, jobs for whites only in the public sector and puppet regimes in the townships and bantustans were all based on a corrupt system of ethos. During the negotiation process (1990-1994), there was an increase in government spending, most of which had nothing to do with service delivery, but involved 'golden handshakes' among the top echelons of the public sector, excessive retrenchments and severance packages for old-guard bureaucrats, protection of jobs, inappropriate promotions and manipulation of pension funds.

In this sense, the National Party had similarities to African ruling parties elsewhere on the African continent in that they too sought to use politics and public resources to change the position of their supporters. Such patronage

although to some extent legitimate, can provide an environment for corruption to occur. To this extent, the apartheid system can be compared with other African experiences.

Second, and related to the first factor, the National Party through its policy of 'differential inclusion' (Friedman, 1995:542-544) used patronage to create a huge multitude of black dependents and beneficiaries who worked for the administration, the police, the Bantu Education system and, above all, the Homeland system. The aim of 'differential inclusion' was to 'offer some black people a stake in the system' by sharing power through the establishment of subordinate political institutions such as Homelands (Friedman, 1995:544). This policy of 'differential treatment' was in many ways a source of corruption. As Friedman (1995:544) observed, these institutions 'offered opportunities for patronage to those willing to assume office. Most of the conservative black elites who joined the system used the opportunity primarily to enrich themselves and a small group of followers; they failed to or did not build a popular power base'.

More importantly, because most Homelands lacked a commercial or manufacturing base, Friedman (1995:545) contends that the outcome of the Homeland system meant that:

> the most attractive patronage vehicle was the bureaucracy. This led to the creation of public services with almost half a million personnel. These services rewarded scores of officials with promotions for which they were unqualified and, in some cases, with benefits exceeding those paid to their senior equivalents in Pretoria. The route by which many homeland officials had acquired their status – and the reality that this was often nearly the sole source of salaried work in homelands – also ensured that they viewed the bureaucracy as a vehicle for personal advancement rather than as a public service.

Thus, in the Homelands, 'governance, administration and distribution of public goods and services [were] based on patronage' (*Business Day*, 12 June 2001). In this way, the nature of the Homeland structures also institutionalised some forms of corruption. Conservative elites could also use their positions for personal gain. They were hardly accountable and corruption was a way of maintaining their support for the status quo.

A number of commissions of enquiry documented some disquieting evidence of corruption in the Homelands and in those departments which dealt directly with Homeland 'governments' (Lodge, 1998:199). A few examples are in order. In KwaNdebele, the Parsons Commission exposed a kickback of R1million for work that was never carried out. In Lebowa, the Tender Board bought cleaning chemicals valued at R15 million, enough for use by the whole government for a period of seven years, despite disapproval from three

members of its Board. In the Transkei, ministers and their associates bought farms, firms, and houses at bargain prices. Bribery was also widespread in the Homelands especially in pension departments and magistrate courts (Lodge, 1999:61). In 1988, the Heever Commission documented many cases of corruption, kickbacks, 'ghosting,' and absence of accountability (Bauer, 2000). Similarly in 1991, the Pickard Commission, which was established to investigate the then Department of Development Aid, exposed 'a culture of corruption and irregularities, tender fraud, favouritism, nepotism and a lack of accountability' (Bauer, 2000:220). It appears cases of corruption, especially in the dying years of apartheid, were an inevitable outcome of the Homeland system. They were part of the core apartheid policy. For Lodge (1998:169),

> these occurrences in the final years of these administrations may have represented behaviour motivated by the realization among officials that their powers and privileges were shortly to be curtailed, but there are other reports dating from earlier periods which suggest, as in the case of the Transkei, that graft was entrenched and routine in the highest echelons of homeland administrations through much of their history. ...the Skweyiya Commission in 1996 uncovered a carnival of misconduct [in Bophuthatswana] dating from 1978, beginning with former President Mangope's issue of irregular tenders, his application of state owned houses and farms, and his establishment of private businesses with public funds.

These cases demonstrate that the Homeland administrations were in many ways a source of patronage and corruption. The public service in particular was a source of status and wealth. Sole noted that Bantustans/Homelands 'existed mostly in a zone of economic irrationality and political illegitimacy and therefore had to be built largely on the basis of subsidies (or rents) of every kind.' And this, he argued 'attracted a leadership and bureaucracy drawn to the large opportunities for patronage and rent-seeking - and which remained largely in place after the advent of democratic rule' (2005:92-93). In this sense, politics in the Homelands was similar to post-colonial African patterns of patronage. Since 1994, the Homeland administrations have been incorporated into the regional administrations. This may have shifted corruption and in turn contaminated the regional administrations with Homelands patrimonial politics (Lodge, 1999). Secrecy and a lack of accountability provided a fertile ground for irregularities under the National Party government. Ministers were allowed to 'preside happily over corrupt, inefficient departments, safe in the knowledge that it is the officials who will take the blame when it is exposed' (Bauer, 2000:227). Provincial administrations audit for the period 1992-93 revealed fraud worth R339,000, and bed linen valued R1 million was taken away from Groote Schuur hospital in Cape Province, while vouchers worth

R64.2 million were fraudulently handed out in Transvaal (Lodge, 1998:171).

Third, and more importantly, was the nature of unchecked executive power and the escalation of security under Presidet P.W. Botha with the adoption of the Total Strategy (TS) in the 1980s as the official policy of the apartheid government. This was also in many ways a source of patronage, corruption, and criminal behaviour. This is the case because the Total Strategy led to some of the key factors that promote corruption: authoritarianism and lack of transparency. Attempts to repress dissent inside South Africa and in the whole of Southern Africa in turn led to 'a rapid escalation of corruption in South Africa itself' (Ellis, 1996:192). Repression involved an illegal world in which the use of public money was intrinsic; 'money to please, to bribe, to silence, to betray and to kill played a vital role in the pursuit of apartheid' (Van Maanen, 1999:140). Ellis (1996) observed that the Department of Information was used by the National Party government to secretly distribute government funds as bribes to solicit influence both within and outside South Africa. The Muldergate scandal is a case in point. In 1978, the Muldergate scandal led to the downfall of Prime Minister Vorster when the activities of the Department of Information were brought to light. It was revealed that the Information Department:

> had not only bribed journalists and secretly bought newspapers at home and abroad in a bid to secure better public relations, but that senior civil servants and politicians in South Africa had abused the Department's lack of parliamentary accountability for purposes of personal enrichment –corruption (Ellis, 1996:173).

By the 1980s, political corruption was prevalent both in the apartheid government and Homeland administrations. Corruption was firmly established, particularly in areas of government that were of 'strategic' importance and that spent covert funds. The Department of Defence spent R4 billion per year on covert projects in the 1980s (Lodge, 1999:59-60). A company established by the Military Intelligence to generate funds for UNITA 'became a conduit for ivory and mandrax smuggling' whose proceeds 'were shared between UNITA and South African Defence Force (SADF) commanders' (Ellis, 1996:60). All these were possible because of an institutionalised lack of transparency and accountability.

Under the National Party government, discussions of parliamentary committees were secretive or kept from the knowledge of most people (Southall, 1998 and *Mail & Guardian*, 14 February 2001). Thus, Southall (1998:453-454) noted that 'legislation was tabled behind closed doors, and MPs were forbidden to talk about what went on.' The National Party government revealed as little information as possible on the operations of the government. 'No information was publicised regarding corruption within the public service or by public representatives' (*Mail & Guardian*, 12 June 2001).

Moreover, 'there was a particularly low level of accountability where spending of public money was concerned" (*Mail & Guardian*, 12 June 2001). As the system was shrouded in secrecy, it provided incentives for officials to engage in corrupt and criminal activities because secrecy curtailed accountability. Thus, the National Party government facilitated 'the creation of secret or covert networks, maintained with secret funds, inevitably attracts the attention of professional criminals and tempts otherwise honest people to steal, since the funds involved are publicly unaccountable' (Ellis, 1996:11). As Lodge (1998:165) noted:

> covert operations inside South Africa undertaken by the military also supplied plenty of opportunities for private gain. Between 1985 and 1990, R10 million was paid over to five front companies established by the Eastern Cape Command. The companies were intended to organize youth camps and leadership training as well as other propaganda activities directed against the ANC and PAC.

The foregoing analysis demonstrated how South African politics, the structure of the National Party government and the way it functioned institutionalised some forms of patronage and corruption. To this extent, 'the strongest roots of corruption in South Africa lie in the policy of apartheid' (*Mail & Guardian*, 10 June 1997). Thus, South Africa in 1994 'emerged from a period of [patronage and] corruption, encouraged by politicians who used subtle, though usually legal means, of self-enrichment' (Khumalo, 1995:12). Having examined how the National Party government promoted patronage and provided an environment for corruption, the analysis that follows demonstrates how the ANC government equally uses patronage, thereby facilitating corruption as a way of advancing the positions of its supporters and thus building its own political support.

Patronage and Corruption under the ANC

This section examines ways in which the ANC government through its policies has since 1994 facilitated patronage to promote the positions of its disadvantaged supporters as a way of building support. Second, it shows how neopatrimonialism and patronage politics as practised by the ANC government have (to some extent) since 1994 shaded into corruption to serve both political and personal purposes.

It is difficult and still too early to assess whether the National Party government was more corrupt than the ANC government or vice versa. However, since 1994 corruption scandals have become part of the political debates of the new government. Corruption has been widespread in government since 1994 and it appears to be growing at all levels of government (Bauer, 2000:227). As Tom Lodge (1998:157) pointed out:

a major source of financial misappropriation in the old central government, secret defence procurement, no longer exists but corruption is stimulated by new official practices and fresh demands imposed upon the bureaucracy including discriminatory tendering, political solidarity, and the expansion of citizen entitlements. Though much contemporary corruption is inherited from the past, the simultaneous democratization and restructuring of the South African state makes it very vulnerable to new forms of abuse in different locations.

With the introduction of non-racial multiparty democracy in 1994, South Africa is undergoing massive social, political, and economic transformation. There is a need to rationalise the government, from one which was authoritarian and exclusive, to one that tries to be democratic, transparent, accountable, and inclusive. In trying to redress past practices that were conducive to corruption, the ANC government would seem to have created new opportunities for corruption through some of its policies and practices such as affirmative action. Affirmative action is defined 'as laws, programmes or activities designed to redress past imbalances and to ameliorate the conditions of individuals and groups who have been disadvantaged on the grounds of race, gender and disability' (Republic of South Africa, 1998: http://www.polity.org.za/govdocs/ white_papers/affirmative.html). The analysis that follows identifies factors or ways in which public resources were used to promote positions of disadvantaged supporters and build support and thus create opportunities for corruption since 1994.

Some types of affirmative action in the public service disregard merit (Good, 1997 and Lodge, 1998), 'as part of a necessary bid to counter decades of anti-black discrimination' (Sole, 2005:93). This has given rise to political appointments in the public service. 'The temptation to swell the bureaucracy through reward-related jobs, and pay for loyalty packages is natural, with the victors in the struggle gathering to share the bounty' (Khumalo, 1995:12). Since 1994, political appointments have been made to the main institutions where power is located. These include, amongst others the civil service, the security forces, and key organisations such as the Reserve Bank, and parastatals (Good, 2000:50). Van Maanen emphasises the same point. Since 1994, he argues, thousands of new civil servants have been selected to some positions in government whose main qualities were not often the exact skills required for such positions. They were selected in part because the new government wanted partners in the public service who would appreciate and encourage its new priorities (1999:149). Moreover, there is a desperate need for government to better reflect all people. For instance, the Department of Foreign Affairs introduced a twelve-month programme to ensure that 80% of South Africa's diplomats were black (October 2000 to October 2001). At the beginning of 2000, around 60% of South Africa's ambassadors, High Commissioners and

Consuls-general were white, and at the lower level, around 80% of counsellors were white. The purpose of this programme was to ensure that South African officials were representative of the general population (*Mail & Guardian*, 4 October 2000).

Although policies of affirmative action are necessary to ensure that the new government reflects all, they may give rise to new opportunities of corruption if they are not properly implemented, especially if they are used to build support for the government. That is to say, such policies might be exploited in certain quarters to employ relatives, friends, and fellow comrades even if they do not possess the necessary expertise or are of dubious character. There is evidence to this effect. For instance, the African National Congress (ANC) committee restored two Members of the Executive Council's (MEC) in Mpumalanga Province in spite of the members' having been suspended for corruption by the province's Premier. Likewise a discredited lawyer was appointed Consul-general to Delhi despite a criminal conviction. When asked why the Department of Foreign Affairs was not able to identify the criminal conviction of the concerned lawyer while he was working in Parliament in 1996, the Deputy Minister of Foreign Affairs observed that 'South Africa is a sick society. Corruption is endemic. We were busy on so many other issues it might not have come to our attention' (*Mail & Guardian*, 5 February 1999). Similarly, Lyndall Shope-Mafole, a former Independent Broadcasting Authority councillor was granted a senior government job in Geneva 'despite having been caught with her snout in the public purse, for which she was sacked' (*Mail & Guardian*, 5 February 1999).

These appointments were made despite efforts at and talk of 'clean government' indicating that there is a struggle between pressures for patronage and efforts to clean government. The then Minister of Justice, Dullah Omar, claimed that two key principles of the ANC were 'honesty and integrity', and suggested that 'people who are engaged in corrupt practices should not be allowed to stand for election'. Moreover, former President Nelson Mandela had earlier withdrawn the appointment of Allan Boesak as South Africa's ambassador to the United Nations even before he was convicted on allegations of fraud (*Mail & Guardian*, 5 February 1999). In KwaZulu Natal Province, Culture and Education MEC, Eileen KaNkosi Shandu, was dismissed for nepotism following the 'appointment of her brother to a senior position [Deputy Director-general for education], which would have earned him in excess of R250, 000 a year, over more qualified candidates' although her brother obtained the lowest marks of all those interviewed (*Mail & Guardian*, 23 August 2000). Moreover, affirmative action and nepotism lead to job insecurity [and uncertainty] on the part of civil servants appointed under the previous government and as such some believe they are justified in taking advantage of the system whilst they still have access to public resources (Painter, 1999:78). In this sense, affirmative action provides a fertile climate for corruption to take place.

A further way in which the government uses public resources to prop up its supporters and build government support, and which appears to facilitate corruption in the new government, is tendering or procurement policies that give preference to small businessmen (Good, 1997). This is an area of corruption common to all countries. What gives it a different force in South Africa is a need to empower those previously disadvantaged and redress the deep historical socio-economic imbalances inherited by the new government in 1994. Because 'the vast material and social inequalities in South Africa still largely follow racial lines', the ANC government is under pressure to deliver noticeable results within a short period (Van Der Berg, 1998:225). This is the case because the market changes racial inequalities too slowly to meet political demands and the public sector is where quick changes can be made. As Van Der Berg (1998:263-4) observed,

> improving the legitimacy of the economic dispensation would require visible intervention by the state to provide material benefits for blacks. Waiting for the market to restructure opportunities is not enough and ... is too slow. Thus the budget will be the major instrument of redistribution to the newly enfranchised.

One way of advancing empowerment is through preferential procurement or tendering. The government's procurement budget constitutes around R80 billion, equal to about 13% of GDP or 30% of total government spending (*Mail & Guardian*, 16 October 2000). The ANC government has embarked on reform to ensure that the public tendering system is accessible to small, medium, and micro enterprises (SMME's) so as to favour black-owned enterprises. In the past, public tendering favoured big companies. Emerging companies had difficulties in accessing the public tendering system (Republic of South Africa 1997:http//www.polity.org.za/govdocs /green_papers/procgp. html). Thus, in line with its socio-economic objectives as one senior official in the Office of the Public Protector noted:

> the government has a macro policy of trying to empower people who were previously disadvantaged. For empowerment purposes, specific groups, e.g. women, black contractors are given certain points. Competing with well established companies and tendering on the basis of low price would not help emerging companies. Some tender boards allowed up to 30% preference. In South Africa, there is the state tender board and nine provincial tender boards. They are independent from each other on matters of procurement. There are lots of complaints on tender issues. At the moment, tender issues are not transparent. For instance, you do not know how you were compared to other tenderers and why you were unsuccessful. It is a very closed operation. Tender

boards do not automatically write to people. People come with lots of complaints suggesting bribery. Tendering corruption has always been with us in the provinces and parastatals (interview, 8 May 2000).

Similarly, Sole (2005:102-103 quoting Hyslop, 2004) observed that,

> Under Mandela, and even more, under Mbeki, government policy encouraged rent-seeking activity by black entrepreneurs through the economic preferences they were given through a whole gamut of policies, especially those relating to the awarding of state contracting and corporate ownership. The tendency of such policies was to create a climate in which the line between legal forms of rent-seeking and outright corruption and cronyism became increasingly blurred. Senior ANC figures became increasingly comfortable with seeking material rewards for their past political contributions and old 'struggle' networks provided political connections which could be parlayed into economic leverage.

This suggests that affirmative procurement is vulnerable to corruption if it is not efficiently implemented. Sole (2005:104) warned that it 'will attract dubious forms of rent-seeking – such as bribery and white fronting – and may provide camouflage for patronage.' According to Black South Africa Business, government procurement has been overshadowed by fronting so far (*Mail & Guardian*, 16 October 2000). For instance, a hunting company, Wilmot Safaris was awarded a profitable government contract in the Eastern Cape after it had employed Nambita Stofile, the wife of Eastern Cape Premier Makhenkesi Stofile, as a partner and shareholder. Nambita Stofile became a member of Wilmot Safaris two weeks before the company was awarded a 42.5% share in hunting rights of government owned game reserves in the Eastern Cape. Wilmot Safaris became a black empowerment partnership with Moses Oomoyi and Nambita Stofile in December 2000. This was the second case, brought to public view in 2001, of companies securing contracts with the regional government in which Nambita Stofile was working as a director. Nambita Stofile was also a director and shareholder in Masekhane Security, which secured contracts with a number of departments (*Mail & Guardian*, 23 March 2001). This is a clear case of conflict of interest. In Mpumalanga, it was revealed that the Minister of Housing granted a US$42 million contract, Mpumalanga Rural Housing Project, in January 1997, the biggest under the government housing subsidy scheme so far, to a company which had been registered and operated by one of the Housing Minister's friends, Thandi Ndlovu (*Mail & Guardian*, 23 May 1997 and *Mail & Guardian*, 10 June 1997). Although, Mpumalanga Housing project was promoted as a black

empowerment project, it was revealed that big companies stood to benefit from the project. Moreover, questions were being asked in certain quarters regarding the benefits of the project to the rural community (*Mail & Guardian*, 30 May 1997).

In yet another black empowerment scandal, the former chairman of the Central Energy Fund (CEF), Keith Kunene, and Moses Moloele, a director of High Beam Trading International were subject to an investigation by the Scorpions 'for corruption involving a deal which in effect privatised South Africa's oil purchases' (*Business Day*, 16 February 2001). Moloele was alleged to have paid a 'bribe of $60,000 to Kunene in exchange for a contract to conduct.....the Strategic Fuel Fund's (SFF'S) to sell South Africa's crude oil...worth about R1.5bn and use the proceeds to buy better quality crude oil'. Kunene was pressurized to resign by the Minister of Minerals and Energy 'after it emerged that he had awarded the contract to High Beam Trading International, a joint venture between black empowerment company High Beam Investments and commodity trader Trafigura, without government approval or calling for tenders' (*Business Day*, 16 February 2001).

It is important to ask who are the winners and losers in the new policies. A report issued in 1999, by Wharton Economic Forecasting Associates, an international economic consultancy, shows that 'a small black economic elite has benefited most from the democratisation of South Africa over the past 10 years'. The report shows that income of the richest 10% of black South Africans rose by 17%, whilst the income of the poorest 40% households declined by about 21% (*Mail & Guardian*, 28 January 2000). Good underlines the same point. An elite, he notes, made up of politicians, civil servants, and business people, seems to have acquired considerable material gains. In the period 1991 to 1996, black capitalists secured around 9 per cent of market capitalisation on the Johannesburg Stock Exchange and by the middle of 1997, a small group of top black executives were earning an average salary package of around R1 million per annum, said to be substantially higher than their white counterparts (Good, 1997:554). The substantial gains by the top 10% of the blacks seem to have been an outcome of the policies of the new government and of the way capitalism has developed since 1994. It has to be noted that the new democratic government nurtures the idea of forming 'a black capitalist class.' President Thabo Mbeki stated that 'government must come to the aid of those among black people who might require such aid in order to become entrepreneurs' (*Business Day*, 23 November 1999). This demonstrates that the ANC government is prepared to use public resources to promote its disadvantaged supporters and thus build support for itself.

In spite of this, the pressure for a more rapid empowerment process remains intense putting pressure on the government to use public resources to promote positions of its supporters and build support, especially amongst black supporters. For instance, Cyril Ramaphosa, one of the leading figures in the ANC over the last twenty years and now a leading businessman, insists

that empowerment has not been successful because 'black people remain at the periphery of the economy' (*Mail & Guardian*, 14 September 2000). Black South African Business has described the policy of affirmative action as 'a practical joke' and called for 'a review of the government's procurement policies and for more preference to be given to black suppliers' (*Mail & Guardian*, 16 October 2000). Ramaphosa warned government of 'a possible backlash if black South Africans are unable to enjoy the economic fruits of democracy' and encouraged government to put into effect new legislation to bolster black empowerment (*Mail & Guardian*, 26 March 2001). In this sense, the government is the battleground for the allocation of public resources. Although the conditions for social transformation have been laid down following the democratic elections in 1994, income distribution remains highly skewed in favour of the whites who constitute about 10% of the population. The Human Rights Commission 'found marked socio-economic inequalities and racism still divide the country' (*The Sowetan*, 18 March 1999). It is therefore likely that pressures and opportunities for corruption will increase rather than diminish.

Linked to the policy of empowerment, it seems the other source of corruption in the ANC- led government is the emergence of 'the culture of entitlement,' that is the feeling that 'we have been kept down for so long, now we are entitled to our share and no one should blame us' (Van Maanen, 1999:146). Painter underscores the same point. Black South Africans, he notes, have been excluded from top positions in the civil service for so long such that 'some of them feel justified in "taking their turn in riding the gravy train"' (1999:78). The Chairman of the National Empowerment Corporation, Mashudu Ramano noted that 'it is inevitable that some blacks will become super rich, and there is nothing to be ashamed of. Now is the time. If ever there was a chance, we have it now' (Good, 1997:555). Similarly, Phumzile Mlambo-Ngcuka, a minister in Mbeki's government 'told a gathering of black businessmen they should not be ashamed of wanting to be "filthy rich"' (Sole, 2005:102). In this sense, those who were previously excluded now feel entitled to use the government to advance their interests. The foregoing analysis - directly or indirectly – demonstrates how public resources through policies such as affirmative action/empowerment are used by the government to promote its supporters and build support, thus in one way or the other keeping them in the ANC.

Yet the other way in which the government uses public resources to build public support and thus makes corruption more likely in South Africa is the dominance of the ANC, through the electoral majorities it has secured since 1994. Since 1994, three multiparty elections have been held, the most recent in 2004. All were won by the ruling ANC. Moreover, Members of Parliament (MPs) in South Africa are answerable to their parties rather than to their constituencies, an outcome of elections being based on proportional representation according to a party list system. Party loyalty discourages MPs

from criticising the government and, because they are answerable to the party rather than to a constituency, it is easy for the party to control them. In this sense, MPs have no choice but to toe the party line if they want to remain MPs. Thus, the ruling elite are 'accountable to themselves' (Good, 1997). Southhall (1998:455) observed that 'not least of the reasons why the new drive for parliamentary accountability may be faltering is the determination of the leadership to make the parliamentary party toe the line'. In this way, MPs can easily be replaced without altering party ratios in parliament. For instance, 'at the national level, the Assembly saw 70 of its elected MPs - more than 14% - leave Parliament by the end of 1996' (Editors Inc. ndc,1999:32). In this sense, patronage in the form of positions in government can be used to build support for the government.

The dominance of the ANC does not only frustrate capable, effective, and independent MPs, but also makes it difficult for MPs to call the government to account for its actions. An example is the way in which a senior ANC MP, Andrew Feinstein, was silenced after he had demanded an investigation (and the involvement of South Africa's fearless anti-corruption unit, the Special Investigating Unit) into the controversial R43 billion multiple arms contracts awarded in 1999. The decision to probe the arms contracts came following allegations of corruption by senior ANC politicians. Some members of parliament were alleged to have received bribes to influence the R43 billion arms procurement deal (*Mail & Guardian*, 30 January 2001). There were also allegations of conflict of interest and tendering procedures being disregarded when awarding the contracts (*Mail & Guardian*, 9 November 2001). Moreover, there were allegations that businesses with close connections to the ANC gained from the arms contracts (*Mail & Guardian*, 5 October 2001). This suggests how the government uses public resources to promote its supporters or companies run by its supporters and thus consolidate its interests.

Andrew Feinstein was an outspoken ANC leader on the Parliamentary Public Accounts Committee, which took a leading role in the arms investigation. He was critical of tender procedures and conflicts of interest involved in the arms contracts. As a result, he was 'demoted, silenced and replaced' by the deputy chief whip, Geoff Doidge. Moreover, the ANC 'moved three of its heavyweight functionaries onto the committee, including ANC caucus chairman, Thabang Makwetla' (*Mail & Guardian*, 30 January 2001). Feinstein was axed for failing to protect the interests of the ANC and for embarrassing the party, indicating that 'no ANC member has a free vote' (*Mail & Guardian*, 14 February 2001).

Although Feinstein was at first supported by ANC MPs in the Parliamentary Public Accounts Committee leading the investigation, they withdrew their backing when President Thabo Mbeki 'publicly maligned the head of the unit, Judge Willem Heath, and said the committee was "wrong" in assuming there were grounds for an investigation' (*Mail & Guardian*, 30 January 2001). Both Mbeki and then Deputy President Jacob Zuma castigated

the Parliamentary Accounts Committee for calling for an enquiry into the arms deal. The President 'froze the [Heath] unit out of the investigation and the government subsequently announced that it would be disbanded' (*Mail & Guardian*, 30 January 2001). Mbeki stated that 'it is … clear that we cannot allow the situation to continue where an organ appointed by and accountable to the executive refuses to accept the authority of the executive' and to 'run out of control.' Further he noted that 'this situation of ungovernability will not be allowed to continue' (*Mail & Guardian*, 20 January 2001). The President insisted that the investigation would be properly conducted because the Public Protector, the Auditor General, and the Investigating Directorate: Serious Economic Offences (IDSEO) would take part in it (*WOZA News*, 7 February 2001), with the Auditor General co-ordinating. Moreover, the President dismissed allegations of corruption in the arms contracts as a campaign to damage the reputation of the government (*Mail & Guardian*, 31 January 2001). The President's comments not only pre-empted the findings of the inquiry but also cast doubt on its autonomy (*Mail & Guardian*, 31 January 2001). By axing Andrew Feinstein, the ANC wanted to demonstrate that it is prepared to keep within its ranks those whose actions do not only help further its interests but also build support for it.

Opposition MPs and political commentators alike were critical of the way the arms probe was conducted, noting that the ANC was inviting suspicions of a cover-up. Responding to these concerns, Minister of Defence Mosiuoa Lekota insisted that the ANC 'inherited a culture of corruption and was on a huge crusade to eradicate it' (*Business Day*, 15 February 2001). Although there is truth in Lekota's assertion, the way the ANC handled the matter and the decision to exclude the Heath Unit from taking part raised doubts about the ANC's commitment to tackling corruption, especially high-level corruption. This incident demonstrated that the ANC was able to stifle opposition and silence critical and effective debate within its own ranks, thereby undermining democratic institutions such as the Public Accounts Committee. Moreover, the ANC was able to decide which organisations would take part in the probe. From the perspective of its critics, the episode showed that watchdog institutions such as parliamentary committees, which had been dubbed the 'engine room' of the new democracy in South Africa, could bark but not bite (*Mail & Guardian*, 14 February 2001). This underscores the importance of political will in controlling corruption. Failure to ensure transparent and autonomous anti-corruption procedures thus undermines confidence in the honesty of government and its obligation to accountability. The foregoing analysis has shown that there are tensions within South Africa's constitutional system between a highly centralized executive, an increasingly weak legislature, its constitutional protection bodies, and the dominance of the ANC. Partly because of the lack of accountability, transparency, and the dominance of the ANC, it is unlikely that the ANC government would attack high level corruption, especially if such action undermines its political

control.

Conclusion

This paper has shown how neopatrimonialism and patronage politics under both the National Party and ANC governments in South Africa were used to promote the positions of government supporters and thereby build political support for it. It has also shown that this type of politics has to some extent shaded into corruption. Continuities in patterns of corruption in South Africa derived from neopatrimonial and patronage politics appear to be one way corruption has come to exhibit itself, especially at the higher levels of government. Moreover, this paper has shown that both patronage and corruption are important to a government consolidating its political power. Given their political importance, it is worth considering whether the ANC government would be effective in combating corruption. Although the government has arraigned and axed Deputy President Jacob Zuma for his alleged wrongdoing in the arms contracts, this has been a lengthy and difficult process, and his case may be an exception.

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