

THE IMPACT OF POLITICAL CORRUPTION ON SERVICE DELIVERY IN SOUTH AFRICA: A REVIEW OF THE MPUMALANGA RURAL HOUSING PROJECT



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THE IMPACT OF POLITICAL CORRUPTION ON SERVICE DELIVERY IN SOUTH AFRICA: A REVIEW OF THE MPUMALANGA RURAL HOUSING PROJECT

A Thesis Submitted to the Department of Political Studies

In Partial Fulfilment of the Requirements of the

Degree of Masters in Public Affairs and

Administration

By

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“In every government on the earth is some trace of human weakness, some germ of corruption and degeneracy, which cunning will discover, and wickedness insensible open, cultivate, and improve”

Thomas Jefferson
(Sabato and Simpson, 1996: 18)

PREFACE

This study is one of a continuing series of my attempts to explore with deeper understanding the seriousness of the manifestation of corruption in the South African government. It develops an analytical approach whose ideas and framework are largely based on available sources on political corruption across all fields of knowledge. I have thus eliminated what I consider as a radical and focused approach in the study of political corruption in government institutions, be it by economists, or social scientists. I used all possible available sources on the subject of political corruption in all disciplines and fields of study. I have also used different theories, concepts, principles and understanding of political corruption as tools of analysing and evaluating political corruption in government institutions. The Mpumalanga Rural Housing Project was solely chosen as a case study primarily because it presented an excellent polemical context of illustration for some of the arguments raised in this study. Most importantly the Mpumalanga Rural Housing Project is used in the study to illustrate and demonstrate the major threat that political corruption may pose in the development of a nation or country, especially on efficient and effective service delivery of a government.

This study also takes into account legal and moral perspectives on the phenomenon of political corruption as to portray the broader interest that has been shown by many academics, authors and writers on the subject. It also fully embraces and explores the significance of political dynamics and power relations behind the censure of corruption in many government institutions. Many different provocative ideas by different academics, authors, commissions, statutory bodies, international institutions and anti-corruption institutions are also explored in the study. Indeed some of them are greatly influenced by the thinking by international authors and institutions like the International Monetary Fund (IMF), World Bank and the Transparency International (TI)¹, which has contributed significantly on the literature I used in this study. I would like to reaffirm the fact that I very much share the viewpoint of such institutions that political corruption is a

government pathology that needs to be cured. One cannot deny the fact that political corruption, especially in Africa, has become a serious debate on its pervasive effects to the good governance of the continent as large. Consequently not only has political corruption been moved to the top agenda of policy reform in the continent but also a number of strategies have been devised to eradicate it. In its report on “*Global Corruption*”, Transparency International reported that corruption is one of the greatest challenges of the contemporary world “which undermines good government, fundamentally distorts public policy, leads to misallocation of government resources, harms the public sector and private sector development and particularly hurts the poor in many countries” (Transparency International Report, 1997: 7)². But one crucial fact to note is that the political corruption nexus is of special concern in poor and developing countries, which are mainly found in Africa and the Middle East. Political corruption affects the lives of poor and innocent citizens. It not only undermines the rule of law in a country, but also mischannels government programs and policies to unintended recipient (corrupt officials who are often well-off than the poor and deprived). Political corruption at the highest level poses perhaps the greatest threat to the stability and wellbeing of society, than has ever been anticipated.

Political corruption in South Africa undermines the capacity of the government to deliver and to reach out to the great majority of poor and disadvantaged communities in the country. These are the factors and arguments that this study seeks to portray to many of us, be it in the academia or government institutions, we all have to make sure that we take part in curbing political corruption or any form of irregularity in the government. We need to expose such deficiencies if we can. Political corruption undermines and distorts service delivery modes, mechanisms, programmes and institutions in a government that is committed to uplift the lives of its poor citizens. South Africa therefore needs to improve its institutional efficiency in meeting the service delivery needs of people of the country.

¹ Transparency International (TI) is a civil society organisation dedicated to curbing both international and national corruption.

² A paper presented by Miguel Schloss to the 2^a Conferencia de Responsabilidad Social Empresarial en las Américas, São Paulo, Brazil, 25 June, 1999.

The growing number of corruption reports in our everyday newspapers, Internet, and radio stations have clearly denoted an urgent need to the public service on ethical frameworks based on idealised conception of what public officials *should* do to revitalise or tilt ethical bankruptcy in many government officials. Public officials need to ensure integrity, fairness, effectiveness and accountability of their administrative decision-making. The essential task to curbing corruption also lies with the management systems of government institutions. Government institutions need to adopt thorough professional ethos in their administrative systems and decision-making. Underlying this should be a code of conduct to which all public servants and politicians must adhere. To tackle the root causes of corruption government institutions also need to improve their recruitment procedures, fairer remuneration and a career structure with promotion based on merit.

Although this study is for academic purposes only, I hope it will help generate an understanding in some of the major challenge that is still facing the South African government and many government institutions across the globe. This study also hopes to lay a foundation of understanding corrupt practices and their remedies in the public service in South Africa. It also contains a full list and description of the anti-corruption institutions and mechanisms that were established by the government in countering the growing number of cases of corruption in the private sector and public service of the country. One crucial point that is worth mentioning in this regard is that a great part of this thesis was written last year (2000). The vast development on anti-corruption institutions, legislation and mechanisms of control has forced one to revise and update the whole thesis. This thesis covers all the new developments, especially on the new legislation like the Whistleblowers Act and the Access to Information Act that were initiated since last year. Finally this thesis contains a number of very interesting and formidable arguments that I hope will help inform many of those interested to pursue the study of corruption in this country. It also contains very interesting recommendations that seek to contribute in the existing remedies for corruption in South Africa.

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³ Lala Camerer is a Senior Researcher on the Organised Crime and Corruption Programme at the Institute for Security Studies (ISS) <http://www.iss.co.za>

⁴ Professor Kuye is a Senior Lecturer and the Director of the School of Economic and Management Studies in the University of Pretoria.

⁵ Sadly passed away few weeks before this final print. May his soul rest in peace.

I would like to also thank the staff of the Mpumalanga Provincial Auditor, Mbombela District Municipality Council, the Research Unit of the Mpumalanga Government, especially to its Director Ms Margaret S'komolo, the Office of the Health Special Investigating Unit (HSIU) for their help and assistance with the material used in this study.

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DEFINITION OF TERMS

ACCOUNTABILITY

Accountability means to be required to render account by giving explanations, for instance to explain why public funds were stolen or mismanaged. To render account does not necessarily mean bookkeeping or to produce accounting records (Cloet, 1994: 7).

ABUSE

To misuse something/someone in a bad, incorrect, improper or unjust way (Oxford English Dictionary, 1995: 6).

BRIBES

These are informal payments to government officials usually in favour of services rendered (Rose-Ackerman, 1999: 15).

CORRUPTION

Corruption in this study is used interchangeable with political corruption to simply mean "the misuse of public power or position by government officials for private or individual profit" (McKee, 1996: 1)⁶.

EMBEZZLEMENT

Embezzlement means to divert public funds fraudulently to one's own use or personal account (Oxford English Dictionary, 1995: 440).

⁶ This paper is available via < <http://www.transparency.de>

ETHICS

Ethics are defined as a set of standards by which human actions are determined to be wrong (Bowman, 1981: 61). Ethics in the public service are considered as a blend of moral qualities and mental attitudes, which not only include the willingness to serve the public but also the willingness to behave competently, efficiently, honestly, loyally, responsibly, objectively, fairly, and accountably.

EXTORTION

Extortion is the art or practice of abuse of legal or official authority especially money or resource by undue exercise of authority or power (Oxford English Dictionary, 1995: 477).

FRAUD

Fraud is the action or instance of deceiving in order to make money or obtain goods illegally (Oxford English Dictionary, 1995: 538).

GOOD GOVERNANCE

Good governance is the conscious management of regime structures with a view of enhancing the legitimacy and capacity of a regime (Grindle, 1997: 6).

GHOSTING/GHOST WORKERS

Ghosting means the use of non-existing 'workers' in the government payroll. Ghosting is a fraudulent practise by government officials to people who do not exist for extra salaries.

GRAFT

Graft is the use of illegal or unfair means especially in a distorted way to gain an advantage over others (Oxford English Dictionary, 1995: 589).

HOUSING DEVELOPMENT

Housing development means the establishment and maintenance of habitable stable and sustainable public and private residential environment to ensure viable households and communities in areas allowing convenient access to economic opportunities and to health, educational and social amenities like water, adequate sanitary facilities and domestic energy supply (Housing Act No. 107 of 1997)

INTEGRITY

Integrity means “a genuine wholehearted disposition to do the right and just thing in all circumstances in the execution of their duties” (Fleishman et al, 1981: 53).

KLEPTOCRACY

Kleptocracy means government by theft, which means a wholly corrupt system of government, which is also led by a corrupt leadership. Sierra Leone and Zaire are possible examples of African countries where patterns of systemic corruption developed (Oxford English Dictionary, 1995: 749).

MENDACITY

This refers to blatant or deliberate lying or misrepresentation of the truth (Oxford English Dictionary, 1995: 850).

MISUSE

To misuse is to improperly or wrongly use something or someone (Oxford English dictionary, 1995: 872).

MORALITY

Morality, which includes wider connotations than the term, ethics, includes both the positive and negative values and attributes of holding an office. Thus morality includes not only the ethical behavior of public servants but also looks at positive attributes such as trust, fairness, conduct beyond official responsibility, and goodwill (Bowman, 1988: 312).

NEPOTISM

Nepotism is the hiring or conferment of office in the government by public officials to their close ties, families, friends or colleagues. This usually involves very little to almost no reference to an individual's qualifications and capabilities for the job (Fleishman et al, 1981: 26-27).

PATRONAGE

Though a similar word to nepotism, patronage refers to personalised ties and reciprocal obligations with friends, well-known clients, close ties or the rendering of services by public officials to favour relatives and friends (Rose-Ackerman, 1999: 105).

PUBLIC OFFICIALS/ GOVERNMENT OFFICIALS OR CIVIL SERVANTS

Used inter-changeable in the study by many authors to mean any office held by an individual in any government structure or institution (Fleishman et al, 1981: 9).

PUBLIC INTEREST

Public interest refers to the use of government goods and service, resources, policies and position to the benefit of the public or “to do the general good of the public” rather than mere individual public officials’ interests (Fleishman et al, 1981: 9).

RESPONSIVENESS

Responsiveness relates to the link between the communication of needs and the capacity of the government to address them effectively (Grindle, 1997: 6).

SELF-INTEREST

Self-interest is a word used interchangeable in the study with individual officials’ interests, to mean any act that directly or indirectly benefit an individual public official and usually contrary to government policies, procedures, goals, or generally a violation of government objectives to the public (Fleishman et al, 1981: 9).

SUBTERFUGE

Subterfuge refers to a trick or deceitful way usually on financial matters or illegal gains (Oxford English Dictionary, 1995: 1390).

TREASON

Treason means illegal communication of classified information to an external authority or person/s by a public official for the reason of personal gain (Holmes, 1993: 88).

TRUST

Trust means a firm belief in the reliability or truthfulness of a person or thing (Oxford

English Dictionary, 1995: 1498).

WASTE

It is intentional acts that lead to additional costs or reduce benefits to potential recipients, organization or agency (Roth Jr., 1983: 984).

WHITE-COLLAR CRIMES

A white-collar crime is defined as a violation of the criminal law by a person of the upper socio-economic class in the course of his or her occupational activities, (Quarterly Report of the SAPS, 1998: 1)⁷. This often involves complex paper manipulations and sophisticated cover-up activities of fraud by people who occupy prominent positions or status in society (The Encyclopaedia of Crimes and Justice, 1983: 1653).

⁷ This report is available via <<http://www.polity.org.za>> a South African government reports homepage

ACRONYMS

1. AFU - ASSET FORFEITURE UNIT
2. ABSA - AMALGAMATED BANKS OF SOUTH AFRICA
3. AG - AUDITOR-GENERAL
4. ANC - AFRICAN NATIONAL CONGRESS
5. CAS - CENTRE FOR AFRICAN STUDIES
6. CASE - COMMUNITY AGENCY FOR SOCIAL ENQUIRY
7. COBOS - COMMUNITY BASED ORGANISATIONS
8. CPA - CRIMINAL PROCEDURE ACT
9. CPI - CORRUPTION PERCEPTION INDEX
10. CRI - CORRUPTION RANKING INDEX
11. CSAB - COUNCIL OF SOUTH AFRICAN BANKS
12. DPSA - DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION
13. DSO - DIRECTORATE OF SPECIAL OPERATIONS (SCORPIONS)
14. DRS - DEPARTMENT OF RESEARCH AND STRATEGY
15. ECCRISA - ECONOMIC CRIME COMBATING AND RESEARCH INSTITUTE OF SOUTH AFRICA
16. FID - FRAUD INVESTIGATING DEPARTMENT
17. FTAI - FINANCIAL TRANSPARENCY AND ACCOUNTABILITY INITIATIVES
18. GIA - GALLUP INTERNATIONAL ASSOCIATION
19. HSIU - HEATH SPECIAL INVESTIGATING UNIT
20. ICD - INDEPENDENT COMPLAINTS DIRECTORATE
21. ICI - INTERNATIONAL CORRUPTION INDEX
22. IDASA - INSTITUTE FOR DEMOCRACY IN SOUTH AFRICA
23. IDSEO - INVESTIGATIVE DIRECTORATE: SERIOUS ECONOMIC OFFENCES
24. IM - IMPLEMENTING MANUAL
25. IMF - INTERNATIONAL MONETARY FUND
26. IMS - INTEGRATED MANAGEMENT SYSTEM

27. NDPP - NATIONAL DIRECTORATE OF PUBLIC PROSECUTION
28. HEHAWU - NATIONAL EDUCATION HEALTH AND ALLIED WORKERS UNION
29. NPA - NATIONAL PROSECUTING AUTHORITY
30. ISS - INSTITUTE FOR SECURITY STUDIES
31. LTD - LIMITED
32. MD - MANAGEMENT DIRECTOR
33. MDC - MPUMALANGA DEVELOPMENT CORPORATIONS
34. MEC - MINISTERIAL EXECUTIVE COMMITTEE
35. MP - MPUMALANGA PROVINCE
36. MPHB - MPUMALANGA PROVINCIAL HOUSING BOARD
37. MRHP - MPUMALANGA RURAL HOUSING PROJECT
38. NGOS - NON-GOVERNMENTAL ORGANISATIONS
39. NEHAWU - NATIONAL EDUCATION HEALTH AND ALLIED WORKERS UNION
40. NIA - NATIONAL INTELLIGENCE
41. NP - NATIONAL PARTY
42. NRCAC - NATIONAL AND REGIONAL COMMUNITY ANTI-CORRUPTION
AGENCIES
43. PAC - PUBLIC ACCOUNTS COMMITTEE
44. PHB - PROVINCIAL HOUSING BOARD
45. PHS - PROVINCIAL HOUSING SCHEME
46. PLS - PROJECT LINKED SUBSIDY
47. PP - PUBLIC PROTECTOR
48. PPP - PLANNED PRIORITY PROJECTS
49. PSC - PUBLIC SERVICE COMMISSION
50. PTY - PROPRIETY
51. RDP - RECONSTRUCTION AND DEVELOPMENT PROGRAMME
52. RSA - REPUBLIC OF SOUTH AFRICA
53. SACR - SOUTH AFRICAN CRIMINAL REVIEW
54. SAFCERT - SOUTH AFRICAN CERTIFICATION COUNCIL
55. SAII - SOUTH AFRICAN INSURANCE INDUSTRY
56. SAPSCB - SOUTH AFRICAN POLICE SERVICES COMMERCIAL BANK

- 57. SAPS - SOUTH AFRICAN POLICE SERVICES
- 58. SAPS ACU - SOUTH AFRICAN POLICE SERVICES: ANTI-CORRUPTION UNIT
- 59. SARS - SOUTH AFRICAN REVENUE SERVICES
- 60. UCT - UNIVERSITY OF CAPE TOWN
- 61. TI - TRANSPARENCY INTERNATIONAL
- 62. TI-SA - TRANSPARENCY-SOUTH AFRICA

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Chapter 1 : Introduction

INTRODUCTION

"I have never worked in such an amoral business environment in my life. Corruption seems to have become the norm. Price-fixing, you do that before breakfast. Bribery, you do that before tea. People come in here all the time suggesting we carve up a territory with our competitors. What worries me the most is that when I refuse and ask them to leave my office, they don't understand why"

Unnamed Chief Executive
In Robert Kinloch Massie (1993: 1)

Over the past years South Africa has experienced an epidemic of corruption in both government and private sector institutions. The above quotation by an unnamed Chief Executive, who had left South Africa fifteen years ago and recently returned to run a major Johannesburg firm, clearly shows the growing concern about the crisis of corruption, fraud and abuse in South Africa. Corruption is, in fact, a world-wide phenomenon that has developed a colourful vocabulary in all nations (Bowman and Elliston, 1988: 269). In West Africa it is known as "*tarif de verre*" which means grease or dash, and in parts of India it is referred to as "*spread money*". In Latin America it is known as "*la moridia*" (the bite), in Italy as "*la bustarella*" (the little envelope), and in parts of the Middle East and Asia as "*baksheesh*" (favour money) (La Palombara, 1982: 2 and Bowman and Elliston, 1988: 269). In Sierra Leone and many European countries, especially in Canada and the United States of America corruption is referred to as "*vouchergate*" or "*networking*" (Kpundeh, 1984: 62-63 and Jacoby, Nehemkins, Eells, 1977: 6-7). In South Africa the term corruption has been generally used as an umbrella term to include cases of bribery, nepotism, embezzlement, patronage, and maladministration to refer to the mismanagement and abuse of government resources by government officials. In a speech presented at the launch of the National Anti-Corruption Forum in Cape Town in June 2001, the Deputy President, Dr. Jacob Zuma defined

corruption as "the abuse of government resources by those who occupy positions in government" (Zuma, 15 June 2001).

The corruption rampage in South Africa and in many parts of the world has created crisis of confidence in many government institutions, as has the growing concerns and consciousness of means of eradicating it. The cost of conducting government business appeared to have increased in many nations across the globe, as do the complaints and reports of bribes, kickbacks, fraud, collusion and widespread political corruption in many government institutions and structures. In a poll conducted by Daniel Yankelovich in 1977, he predicted "a significant rise of public mistrust in government institutions across the globe, including the well-established economies of the West" (Bowman and Elliston, 1988: 271). In fact the 80% approval rating that public institutions enjoyed throughout the 1950s fell to a low of 33% in 1976 and seems to have seriously decreased recently (Bowman and Elliston, 1998: 271). The public across the globe have appeared have accepted that "government is, in fact, ineffective in solving societal problems, wasteful in spending tax payers money and that government officials often engage in fraudulent practices to enhance their own interests" (Lipset and Schneider, 1983: 379-398). There also appears to be a growing perception that too many government employees and agencies across the globe are often working at cross-purposes with their expected roles and responsibilities to the public (Lipset and Schneider, 1983: 398).

Corruption has become perverse even in ex-communist regimes like Uzbekistan and Russia where privatisation and free market ideologies scarcely or hardly exist (Hessel and Murphy, 1999: 136). "The legacy of communism and socialism with its belief on community property does not help either Russia, Latvia, Bulgaria, Ukraine or Romania prove to be the sleaziest at the very bottom of the Transparency International Perception Index" (TIPI) (Transparency International Source Book, 1996). Fears of the corruption rampage have even embedded themselves deep in the former Soviet Empire than would have been anticipated by Marx and Machiavelli (Hessel and Murphy, 1998: 136). Corruption reports in Europe and North America have shown all too clearly that political corruption is not a topic on which the industrialised countries can moralise to anyone in

any country (McKee, 1996: 2). Germany and the United States of America are no less susceptible than much poorer Ireland; formerly Soviet Estonia is practically with Japan; France and Spain, and Greece with Malaysia, (Hussel and Murphy, 1998: 1). South Africa is in no exception.

As is the case in many developing countries, the impacts of corruption in South Africa are far higher than mere monetary value. For example, political corruption in Nigeria was initially accepted by its citizens as "a way of getting the job done", and so the costs of corruption were less than its monetary value because it had spin-offs of bureaucratic efficiency and effectiveness (Wraith and Simpkins, 1963: 16-17). Corruption in South Africa is plainly costing the country and the government more than monetary price (Mail and Guardian, 27 August 1995). The Investigative Directorate Office of Serious Economic Offences (IDOSEO) is investigating around R 9,5 billion worth of fraud, while the South African Police Commercial Branch (SAPCB) is investigating around 23 000 cases involving R 9 billion (Mail and Guardian, 11 August 1995). See appendix B for statistics. The State in South Africa is a victim of about 33% of *serious economic offences*, far higher than in countries such as the United States of America, United Kingdom, France and Germany. The South African government loses as much as R 25 billion a year with respect to fraud, financial irregularities and tariff scams that includes tax evasion, which equals to 17% of the 1994/95 budget of the Country (Schlemmer in Mail and Guardian, 18 August 1995). This means that 35% of government funds in South Africa are being spent on things they should not be spent on or are misappropriated for individual officials' self-interests - one of the factors that is crippling the capacity of the government to improve the lot of poor people in the country.

The serious picture of corruption in South Africa is also highlighted by the Council of South African Banks (COSAB) with the amount lost by the private sector in the everyday increasing number of fraud related cases or white collar crimes in South Africa. The Head of the Amalgamated Banks of South Africa's Investigating Division (ABSAD), Roy Simpson said that "a fraud of R 3, 5 billion some time ago has grown to more than R 15 billion today" (Mail and Guardian, 11 August 1995). This simply means that

corruption in the private sector has increased with an average value of 55% since 1992 (Mail and Guardian, 11 August 1995).

South Africa's first national victimisation survey, conducted in 1998 using a sample of 4 000 ordinary citizens, offers the most intensive information currently available on the extent of corruption and fraud in the country. The survey which asked the respondents whether they had been the victims of fraud and corruption over the last five years in the country found that: approximately 29% of individuals experienced at least one crime in the year period 1993 and 1997. The poll also found that victims of fraud and corruption amounted to 11, 8% (7,3% and 4% respectively (Camerer, 2000: 1).

South Africa's deteriorating position on the International Corruption Index (ICI) reflects worsening perceptions of the country internationally. One of the authoritative British newspapers, *The Independent*, boldly reported, "sleaze now threatens the new order in South Africa" (The Star, 16 February 1995). In the Transparency International *Corruption-Ranking Index (CRI)* South Africa registered "the fourth largest decline in reputation of the nations surveyed" (The Star, 10 June 1996). South Africa was placed 21st in 1995 by Transparency International and slipped to 23rd in 1996, in the company of Malaysia, South Korea, Taiwan and Uruguay which all achieved similar highest corruption scores in the world. In 1997 Transparency International ranked South Africa as the thirty-third (33rd) least corrupt country of the fifty-two (52) countries used for the study (Transparency International Source Book, 1997). In the 1999-2000 Corruption Perception Index (CPI) conducted by Transparency International, South Africa ranked 34 out of ninety-nine countries, which also proves the seriousness of the phenomenon of political corruption in the Country (see appendix A).

Political corruption in South Africa not only dismays international observations, it seriously erodes the legitimacy of the state to many people and undermines the economy of the country (National Party: Department of Research and Strategy, 1998: 3). In 1998 many of the country's provinces were reportedly on the verge of bankruptcy and institutional collapse (NP: Department of Research and Strategy, 1998: 20-21). The cost

of conducting government business in South Africa continues to increase, as does the number of commissions of enquiry and anticorruption units in many of the country's provinces. Daily reports and newspapers in the South Africa continue to uncover misused government funds and resources, graft, nepotism, embezzlement and extortion. The former Auditor-General, Henry Kluever presenting his annual report in Parliament, argued that the nine provincial governments absorb 54% of the national budget, which "is not being well spent and may even threaten their continued functioning" (Mail and Guardian, 9 May 1998).

The general perception in South Africa is that "too many agencies and officials in South Africa are working at across government purposes, procedure, practices and goals" (The Star, 10 June 1996). A survey done by the Institute for Democracy in South Africa (IDASA) on "*Public Perceptions of the State's Honesty*" showed that many South Africans view public servants and politicians with cynicism and distrust (Department of Research and Strategy, 1998: 3). The survey also found that 32% of the country's population "trust" their provincial governments "to do what is right most of the time"; while 18% felt that they could never trust them. Most importantly the survey also found that across the entire South African population 47% disapprove their provincial governments "to what is right all the time" as compared to the 58% approval of the National government (Institute for Democracy in South Africa, 1996: i). (See appendix C). A similar survey conducted in 1999 on "*South Africans' Perception of Official Corruption*" found that many South Africans view political corruption as a major threat to the new democracy or institutional failure in the country. Most importantly, the survey found that four-in-ten South Africans (41%) found the new democratic government more corrupt than its predecessor (see appendix C for statistics).

These reports and surveys clearly signify growing concern with the pervasiveness and seriousness of political corruption in South Africa. They clearly show that it has become increasingly necessary to seek remedies and redress of the phenomenon, not only in the public sector by also in private sector institutions. Political corruption makes it more difficult for the South African government to form and carry coherent developmental

policies and to respond to the developmental needs of the great majority of poor communities in the country. Political corruption not only delays political and social development in the country, it creates a lack of citizen trust to government policies, programs and the government itself, a threat to the country's new democracy.

PURPOSE OF THE STUDY

The fundamental objectives of this study are, *inter alia*, to examine:

- (a) The magnitude of political corruption in the South Africa government;
- (b) The impact and implications of political corruption on service delivery in South Africa taking the Mpumalanga Rural Housing Project as a case study; and
- (c) How political corruption might be curbed to improve service delivery in the country, by using new and existing mechanisms for controlling corruption in South Africa.

It will be useful to further clarify the academic and policy significance of the study. This study seeks to understand the occurrence of political corruption in South Africa. Many students or practitioners of political corruption in South Africa will agree that there is too limited academic literature on the subject of corruption in this country. Many of those who have attempted to study political corruption in South Africa have emphasised strategies of control rather than developing a theoretical approach to deepen understanding of the phenomenon of political corruption.

Therefore this study will use different theories, principles and understandings of political corruption in all fields of knowledge as tools for analysing and evaluating the negative ramifications of the phenomenon in the political system and agenda of the government. It will also fully embrace the significance of political dynamics and power relations behind the censure of political corruption as means of exploring any hidden patterns of the occurrence of the phenomenon of political corruption in South Africa.

This study will also explore a variety of provocative ideas and concepts developed by a range of authors, commissions, statutory bodies, and international anti-political corruption institutions. This will help the study to develop an analytical framework to provide both students and practitioners of political corruption in the country with a clear understanding of the practices of the phenomenon, strategies of control and existing institutions to curb and control corruption in the country. The study also takes into account legal and moral perspectives of political corruption in the academic literature in order to add a provocative censure in its argument on the impact of political corruption on service delivery.

RESEARCH QUESTION

The main thrust of this study is to illustrate the extent to which political corruption impedes effective and efficient service delivery in South Africa. It draws its arguments and premises from a broader literature on the impact and implications of political corruption in government institutions. The research question, which guides this study is:

What is the impact of political corruption on service delivery in South Africa?

To address the complexity of the research question, the following issues surrounding the debate on the policy enactment of political corruption in the study will be examined. First, is the issue of abuse of public positions and authority by government officials. This study will review current existing surveys by international and national anti-corruption institutions like Transparency International and the Institute of Democracy in South Africa (IDASA). The former is crucial primarily because it also reflects the worsening perceptions of the country internationally. This study (as will be outlined in the methodology) aims to develop an investigative approach that will be coupled with propounding arguments, reports, statements and articles on the impact of political corruption on service delivery and consequently developmental policies, programmes and the agenda of the government.

The major emphasis of this study will be to use theories of corruption across all field of study in order to shed light to remedying political corruption in government institutions in South Africa. As part of its practical goals on understanding corruption in South Africa, this study will review the role of a number of policy actors (i.e. citizens, non-governmental organisations, community-based organisations, civil society, and the media in controlling political corruption in the country. It will also look at available and non-available (as proposals) measures and mechanisms that can be used to control and subsequently curb political corruption in many government institutions in the country. This study will also review the role that can be played by government officials in controlling political corruption. As major implementers of public policy, much depends on these officials, and their commitments in preserving and promoting effectiveness, efficiency, accountability and ethical standard in the public service of the country.

This study will also touch on the following issues: Firstly, it will provide an intensive review of theoretical framework in laying a foundation for the study. This will include the examination of different definitions and meaning of political corruption. Secondly, it will review mechanisms for curbing or remedying political corruption. This will also include a brief review of the institutions and legislation available for remedying political corruption in South Africa.

Finally, a review of the Mpumalanga Rural Housing Project will be used to explore some of the major issues raised in the theoretical framework in relation to the research question of this study. As a result this study will analyse the impact of political corruption in the effectiveness and procedural fairness in the awarding of the project to the Motheo Construction Company Ltd. In the analysis, the role of the Mpumalanga Rural Housing Board and key actors like the Minister of Housing, the Chairperson of the Mpumalanga Housing Board in the awarding of the Project will be examined. Questions that will be raised are: were correct procedures followed in awarding the contract? Who was awarded the contract? Why? And what were the effects thereafter? The latter question will lead us to examine the history and effective performance of the Motheo Construction Company in the construction of rural houses in the Mpumalanga Province.

NEED FOR THE STUDY

The need for this study can be seen within three broader aspects of the need for a research project discussed by Melville Stuart and Goddard Wayne (1996: 12). First, exploring options for a (the) problem. Applied research often arises from specific needs of individuals, institutions or countries in remedying a particular problem. Considering the erratic abuse of government resources in South Africa and the world today, it is of paramount importance to explore with understanding the magnitude, cause and manifestation of political corruption in the good governance of government institutions in the country. This study is set to shed light on the impact and magnitude of political corruption in many government institutions in South Africa. It will also recommend remedies to curb the growing number of cases of political corruption in many government institutions and provinces in South Africa.

Secondly, applied research seeks to make theoretical breakthroughs to an understanding of the occurrence of a phenomenon. Many students of political corruption in South Africa will not dispute the fact that there is limited literature on political corruption in the country. A very few of the available books are of the broader term of corruption and mainly written for international experience or mainly about Africa in general. Thus this study will seek to provide a background in the literature on political corruption in South Africa. The use of a case study approach in the study is mainly for demonstrating the urgency of restraining the abuse of public positions by many government officials in the country.

Finally, research is sometimes undertaken simply for intellectual curiosity, by researchers in seeking to contribute to their understanding of the subject studied or with a primary aim in contributing their intellectual understanding of the subject studied. This study emanated from my desire to understand the seriousness and occurrence of political corruption in South Africa, especially in the Mpumalanga Government, which has been reported as "the most corrupt province in South Africa" (Mail and Guardian, 9 May 1998 and Sunday Times, 24 April 1997). As a student originally from Mpumalanga, I am a

victim of non-delivery and abuse of government resources by government officials in the Province. I have, thus, taken this opportunity to seek understanding of the malfeasants behind institutional failure in the Mpumalanga Province. Although this study looks specifically at non-delivery and poor delivery of housing in the Mpumalanga Province, it tries to present the broader picture of corruption in the Province by looking at other forms of corrupt practices in the Mpumalanga Province and in many government institutions in South Africa.

SIGNIFICANCE OF THE STUDY

This study explores political corruption in South Africa. The Mpumalanga Rural Housing Scheme was mainly chosen as a case in point primarily because it presented an excellent illustration for this study. A good part of this preoccupation resulted from the growing public concern about the increasing number of reported cases of political corruption in many government institutions in South Africa, especially in the Mpumalanga government. The significance of this should also be viewed in the light of the following framework:

- (a) This study is concerned to argue that political corruption has visible and serious implications for a political system or agenda of a government apart from all moral and religious questions of whether it is in itself good or bad.
- (b) This study is intended to make a meaningful contribution to the transformation of the public service of the country by projecting recommendations as to how to strengthen institutional capacity and curb institutional failure, especially political corruption in many government institutions in the country.

LIMITATIONS OF THE STUDY

This study deals with a contentious subject that may arouse tensions and emotions in many people. In fact, my involvement in researching this study has shown me that whatever the approach adopted, political corruption is likely to remain an uneasy subject

to study. This is mainly because official statistics, reports and the account of public bodies are, to say the least, not always available, reliably up-to-date or readily available to the public. Similar problems are extended beyond the realm of officials' unavailability. Access to senior civil servants and governments ministers always proves difficult and usually such actors will not comment, help or answer questions on the subject mainly because they find the topic incriminating or difficult to talk about. In certain instances one is derailed in a bureaucracy that pushes one beyond times frames and due dates.

The fact that many of my findings are based on media and commission reports, which most of the convicted dispute entirely, might leave this study open to criticism, especially if such cases are legally classified as "*alleged*", which means not legally proven. In certain instances such reports are classified by the accused as mere accusation, sensational stories or political witch hunting by opposition parties to discredit others, or the government of the day. However, it is important to note that these reports provide an estimated picture of cases of political corruption in South Africa.

ORGANIZATION OF THE STUDY

The study comprises seven chapters. This chapter has consisted an introduction, which provided a background of corruption in South Africa and internationally. This chapter has basically provided an overview of the worsening conditions of corruption in the country by examining the International Corruption Index provided by Transparency International, investigated cases, amount lost by the government in corruption. It has also explained the following:

- (a) Purpose of the study.
- (b) Research question.
- (c) Need for the study.
- (d) Significance of the study.
- (e) Limitations of the study.

Chapter Two deals with the methodology used in this study. This includes the case study approach, which basically explains why I chose to use a case study approach. It also contains tools of research, and limitations of the data used in this study. Chapter Three is the review of the literature and theories used in this study. This chapter provides different theories and models of political corruption, definitions, typologies and meanings of political corruption. It also provides a review of political corruption networks as an attempt to explain hidden patterns of the phenomenon. The last section of this chapter provides at causes, effects and different explanations of political corruption. Chapter Four provides a critical analysis of the Mpumalanga Rural Housing Project as a case study used to demonstrate specific aspects of political corruption in South Africa. Chapter Five suggest remedies, strategies and means of curbing political corruption. It also looks at theories, models and principles to guide public servants in the execution of their duties, especially when faced with ethical issues like corruption. This chapter also provides a review of available institutions, mechanism legislation for curbing political corruption in South Africa like laws, acts, and bills. Chapter Six is the conclusion of the study, which provides a summation of central observation as well as recommendations on curbing political corruption in many government institutions in South Africa.

METHODOLOGY

Research is a procedure by which a researcher attempts to find systematically and with demonstrable evidence the answers to a question or a resolution of a given confusing phenomenon (Booth, Colomb and Williams, 1995: 5). Therefore in conducting empirical research the researcher has to rely to a research design that is well-defined and good principles for collecting, analysing, and evaluating such data or information. The research design will “help the researcher not to shower into happy expectations or fondly hoping that the facts necessary to the study will some how fortunately turn up” (Booth, Colomb and Williams, 1995: 3). It is a planned data collection procedure, primarily referred to as a research methodology of a study. Methodology is merely an operational framework within which facts are placed so that their meaning may be seen more clearly (Nachmias and Nachmias, 1982: 88). The methodology or theoretical framework of a study is also used frequently to describe the content of scientific investigation tools used in a study. It implies a causal explanation of the relationship among concepts or variables that have verified through formal research or deduced from formal theory (Mayer and Greenwood, 1980: 123). Therefore the methodology that one chooses solely depends on the available or collected data that one needs to analyse. Simply, this means that the methodology that one uses has to suit the data that one has. This section of the paper looks at the methodology used in this study. It first highlights the relevance of a case study approach in trying to explain why a case study was used in the study. It also outlines the tools of research that were used in this study: primary data, secondary data and tertiary data.

There are basically two types of research: scientific and social research. Scientific research is empirical, experiential or observational. In scientific research, the researcher seeks to describe scientific knowledge from systematic observations of a specified

phenomenon. Thus in scientific research, the researcher uses or converts his or her observations into meaningful information (Mayer and Greenwood, 1980: 20).

Social research is a term used to designate investigations designed to augment the body of knowledge of a social science or a social practice. Thus there are two types of social science research: pure research, the intent of which is to expand our understanding of social processes, and applied research, the intent of which is to make us capable of influencing these processes within available theory (Mayer and Greenwood, 1980: 20). This study tries to look at the available body of knowledge on corruption in seeking remedies for the phenomenon in South Africa. In this study I also try to explain my observations of the phenomenon of corruption, through interviews, meetings and reading reports on the corruption in South Africa, especially on the case study used in this study.

A CASE STUDY APPROACH: WHY THE MPUMALANGA RURAL HOUSING PROJECT?

A case study design is one of non-experimental research designs in research methodology. In a case study the researcher examines one or few cases of a phenomenon in considerable detail either by reviewing the physical setting of the phenomenon or using a number of data collection methods. The researcher uses key elementary features of the case study in question. He or she uses available information about the case (be it primary or secondary information), analyses and then reportedly develops an intellectual study (Johnson and Joslyn, 1986: 143).

A case study approach is considered as the most distinctive form of empirical enquiry in the contemporary world (Nachmias and Nachmias, 1982: 147). It is also considered an important design to use for the analysing and evaluating public policies as well as developing explanations for and testing theories of political phenomenon. Robert K. Yin (1995) depicts a case-study design as an empirical inquiry that “investigates a contemporary phenomenon within its real-life context when the boundaries between

phenomenon and its context are not clearly evident and in which multiple sources of evidences are used” (Nachmias and Nachmias, 1982: 147).

A case study approach also “permits a deeper and clear understanding of causal processes, the explanation of general explanatory theory and the development of hypothesis regarding difficult-to-observe phenomenon” (Nachmias and Nachmias, 1982: 147). A case study, in short, is a type of a descriptive research in which a data is gathered directly from individual cases, situation, agencies or organisation in their natural environment for the purpose of studying interactions, attitudes, or characteristics of the case. In a case study, case after case may be studied until continual facts suggest certain conclusions (Leedy, 1982: 90). It is much more a description of an event or state of affairs in a particularised situation. According to Bell (1993: 8) a case study is appropriate for individual researchers because it gives one aspect of a problem to be studied in depth. As mentioned earlier on, I have used the Mpumalanga Rural Housing Project in this study because it presented me with all the required aspects of illustration in this thesis.

FOUR GUIDES IN A CASE STUDY APPROACH

Ragin and Becker (1992: 9) argues that a case study approach is guided by four empirical perspectives that seek to explore with deep understanding causes and relations of an existing state of affair or a phenomenon. Firstly, the case(s) should be empirically real and bounded with existing data or facts for the phenomenon that a researcher seeks to explore. Such a case should also form the integral part of the research or explorative study of the researcher.

Secondly, the researcher should verify the existence of his or her case(s) or establish their empirical boundaries in the course of the research, by either reviewing existing definitions, concepts or literatures (Ragin and Becker, 1992: 9). Thirdly, the researcher should make sure that his or her cases have specific theoretical constructs as empirical evidence which coalesce and guide his/her understanding in the course of the research

(Ragin and Becker, 1992: 10). Finally, the case(s), literature and methodology used in a study or research should be able to form a collective product that will shape and contribute the understanding of the phenomenon in that particular field of study. The logic of a case study approach is to demonstrate a causal argument about a particularised phenomenon. Thus the study in all four aspects should form a microcosm wrapped with theoretical constructs (Ragin and Becker, 1992:122).

Lazarsfeld and Roseberg (1955: 55) argue that a case study approach can prove a substantive argument only if conducted under five conceptualisations:

- (a) Cases make no sense by themselves until they are linked to something demonstrable or certain typological distinctions.
- (b) The causal factors that receive attention within the case should be identified and demonstrated by existing concepts and definitions.
- (c) Evidence should be gathered for causal link between the case and existing theoretical constructs.
- (d) Crucial causal assessment should be made in the study.
- (e) Once the causal factors have been demonstrated and assessed in each case, all cases in the study should be combined to preserve one general argument.

This study studies the linkage between available literature on political corruption and the reported cases of political corruption in South Africa. The Mpumalanga Rural Housing Project was chosen as a focus of this study simply because it provided an excellent polemical point of illustration of the literature used in this study. From its on set, the Mpumalanga Rural Housing Project was surrounded by corruption reports on its approval and other cases of nepotism and disregard of government processes.

TOOLS OF RESEARCH/ DATA COLLECTION TECHNIQUES

Every research needs ancillary tools in order to work effectively. The tools are chosen to facilitate the study, and are indispensable if the study is to be pursued at all (Johnson and

Joslyn, 1986: 143). The data use in this study is consists of primary, secondary and tertiary data.

- **Primary data**

Primary data is the data that lie closest to the source of the ultimate truth underlying the phenomenon (Leedy, 1992: 86). This may involve deliberations by the individuals involved in the case or "*first-hand*" information about the case. The material used in this study involves primary data, which includes ministerial minutes, commission minutes and individual reports on certain cases under investigation. I have also conducted interviews with government officials, which include district and ward councils, and the Provincial Director of the Mpumalanga Province.

- **Secondary data**

Secondary data is a data that account as descriptive or reported facts or hypothesis about the phenomenon (Leedy, 1992: 86). The literature used in this study involved existing library materials, which includes journals, books, and articles. I have also used a number of government reports, especially reports of the Department of Housing, Public Service Commission, Heath Special Investigating Unit, and general government reports either on corruption or anti-corruption strategies in South Africa.

- **Tertiary data**

Tertiary data is new technological data that is mainly available through the Internet or computer electronics. A number of non- and governmental institutions across the globe use the Internet as a means of communicating and informing the public about practices in government institutions across the globe. Some of the literature used in this study was extracted from reports of key international institutions like Transparency International and other multi-national institutions like the International Monetary Fund, and the World

Bank. Some government and commission reports on political corruption, annual reports, and departmental reports in South Africa are available in the Internet.

Chapter 3: Literature Review

One of the reasons why government corruption has grown to be pervasive in Africa today is primarily because much effort has been spent to remedy the problem rather than to understand it.

Dele Olowu (1993: 227)

LITERATURE REVIEW

Surely many students of political corruption across the globe will not dispute the fact that the most formidable obstacle in the study of political corruption in any discipline, be it economics, humanities or management studies, is the question of exactly what is meant by "corruption". Yet some scholars and students of political corruption had to confront the concept first before attempting to explain it. The term corruption has a multiplicity of meanings within different contexts and has been defined variously by numerous authors and practitioners (Kpundeh, 1984: 42). This section of the study will examine different definitions, meanings, forms, theories and categories of political corruption. It will also look at the ramifications or costs of political corruption in government policies and programmes, especially in the agenda of the government. This section will also attempt to look beyond the political costs of political corruption by also examining the administrative (legislative and procedural costs) and social or societal costs of the political corruption in South Africa.

DEFINING POLITICAL CORRUPTION

In an attempt to slice through the knot of complexity, McKee (1996: 2)⁸ in the Transparency International Sources Book (TISB) simply defines political corruption as "the misuse of public power by government officials for private profit". Syed Hussein Alatas (1990: 3) developed a broad-ranging typology of political corruption on the basis

⁸ This paper is available via < <http://www.transparency.de>

of a minimalist definition. Alatas (1990: 3) defines political corruption as “the abuse of trust in the interest of private gain”. It is, therefore, clear that there exists a series of different forms and kinds of definitions of political corruption with a range of characteristics and meanings, which need to be mapped. However, the construction of a comprehensive taxonomy may run the risk of not providing a fully-fledged understanding of political corruption but probably an essential first step in providing a meaningful understanding of the concept of political corruption.

To minimise the problem of definition while also sufficiently inclusive of all inadequacies, misappropriations and inconsistencies in governments, Jerome McKinney (1988 in Bowman and Elliston, 1988: 267) defines political corruption into three relative terms: fraud, waste and abuse. These three terms also define better the areas left unclear and undefined by the term corruption. Jerome McKinney (1988 in Elliot and Willingham, 1980: 95) defines fraud as “the violation of civilian and criminal statutes involving intentional, wilful, and conscious wrongdoing or misrepresentation for the purpose of unlawfully obtaining benefits from a public program”. This, according to McKinney (1988) includes acts such as intentional mistakes (including arithmetic or clerical errors), wilful misrepresentation of facts, embezzlement, and theft by means of deceit and suppression of truth (Elliot and Willingham, 1980: 95). Waste is more a matter of opinion than law, and most government waste typically consists of intentional acts that lead to additional costs or reduce benefits to potential recipients. This can be equated mainly with mismanagement of government goods and resources (Roth Jr., 1983: 961-984 and Bowman and Elliston, 1988: 268).

While abuse is the commission of an act of impropriety that “involves the violation of an agency’s rules, procedures and regulations, impairing the effective and efficient implementation of an agency’s programs” (Elliot and Willingham, 1980: 95). Acts of abuse typically involve the reduction or denial of goods or services rightfully due to eligible recipients” (Bowman and Elliston, 1988: 268). Abuse can also include the blatant waste or misuse of public goods and resources of the government either for other

purposes than intended for or for government officials' personal interests (Lange et al, 1979: 8 and Bowman and Elliston, 1988: 268).

George Benson (1998 in Dere, 1999: 23) defines political corruption as "all illegal or unethical use of governmental authority as a result of considerations of personal or political gains" (Dere, 1999: 22). Benson's definition gives a broader shared understanding of actions defying and violating governmental authorities and institutions. A similar but more substantive definition, which is also more consensual in the study of political corruption in the political science field, is given by Joseph Nye (1997)⁹. He defines political corruption as:

Any behaviour, which deviates from the normal duties of public role because of private regarding (family, close private clique) pecuniary or status gains, or violates rules against the exercise of certain types of private-regarding influence. This includes such behaviour as bribery (use of reward to pervert the judgement of a person in a position of trust), nepotism (bestowal of patronage by reasons of ascriptive relationship rather than merit, and misappropriation (illegal appropriation of public resources for private-regarding use).

A supplementary definition to Nye's definition with a heavy reliance on "private regarding" is presented by Arnold Rogou and Harold Lasswell (1948) who defines corruption as "any act, which violates responsibility towards at least one system of public or civic order and is in fact incompatible with a destruction of any such system" (Dere, 1999: 24). Both Nye and Arnold Rogou (1948) seem to ascribe to the notion that corruption not only occurs for financial incentives or gains but also for "ideological gains" (Dere, 1999: 24).

Robert Williams (1987: 22) improvising in the search for a meaningful understanding of corruption provides three relative terms or meanings of political corruption: the organic, moral and legal meaning of political corruption. This includes the use of market-centred definitions, organic meaning, moral or ethical and legal definitions of political corruption.

MARKET CENTERED-DEFINITION OF POLITICAL CORRUPTION

Although many scholars, authors and students of political corruption prefer to use local norms and judgement in identifying the types of activities that are understood as corrupt in a political system, some writers like Philp (1997: 7) have stressed the use of market centred-definition of corruption. This was mainly done so as to avoid the complexities involved in this delicate balancing of objective or universal components of understanding with local and relative standards the meaning of political corruption (Heywood, 1997: 27).

Market-centred definitions of corruption use the application of social or public choice methods to the analysis of corruption – or more crudely, the use of economic methods and models for the analysing of politics. Thus political corruption is defined by writers like Nathaniel Leff as “an extra legal institution used by individuals or groups (in the government) to gain influence over the actions of the bureaucracy” (Heywood, 1997: 28). As such the existence of corruption in a market-centred approach indicates the obscurity of those actions, activities to maximise their (certain groups or individual) benefits or interests.

Jacob Van Klaveren in Heywood (1997: 28) also using a market-centred conception of corruption argues that “corruption means that a civil servant abuses his authorities in order to obtain an extra income from the public”. Thus market-centred conceptions of corruption view corruption as a “maximising unit seeking to increase the income of public servants” (Heywood, 1997: 28). The market-centred conception of political corruption signifies the selfishness of public officials and their desire to maximise their interests from public funds. Many officials in South Africa were reportedly getting double salaries, non-existing allowances, extra claims and involved in “ghosting” (Mail and Guardian, 18 August 1995). Mr Eugene Nyathi, the former Management Director

⁹ Joseph Nye 1997 *Why People Don't Trust Government*. Cambridge: Harvard University Press. This definition is also available in Heideheimer, A. J., Johnson, M and LeVine, L. (eds), *Political Corruption: a Handbook* (New Brunswick NJ, Transaction, 1989. pp 966.

(MD) of the Mpumalanga Development Corporations and his chairperson, Ntsoaki Mohapi were reported to have paid themselves approximately R 15 000 consultancy fees per day (Shrosbree Commission, 1995: 1-2). In certain instances Mr E. Nyathi was reported to have claimed double payments for transport fees, hired cars, airfares, extra claims and over spending in his personal allowances (Shrosbree Commission, 1995: 2).

THE ORGANIC MEANING OF POLITICAL CORRUPTION

The organic meaning of corruption is used as an analogy of a disease, which affects or taints the political system. Although such a description of corruption invokes to describe and condemn such practices (a sickness that needs to be cured) than explaining the nature of corruption, it provides a clear picture of the challenge that political corruption poses to the health of the good governance of state institutions in many countries (Williams, 1987: 12). Political corruption holds various negative effects to the governance of public organisations and institutions in South Africa. It poses a threat to the agenda of the government. It is a "*disease*" that hinders the capacity of the government to deliver to the great majority of the poor people of the country. Political corruption in South Africa also impairs the image and credibility of the South African government locally and internationally. It also creates disrespect and absence of loyalty to government institutions and the criminal justice system of the country.

THE MORAL MEANING OF POLITICAL CORRUPTION

The moral meaning of corruption on the other hand simply means to purvey, degrade, ruin and debase integrity, virtue or moral principles in any way in government institutions. Thus corruption in the moral conception is used to describe a morally repugnant state of political affairs and implicit in its use is the desire to eliminate it (Wraith and Simpkins, 1963 in Williams, 1987: 13). Thus writers like Webster (1985) defines political corruption as "inducement by a public official by means of improper consideration (such as bribery) to commit a violation of duty" (Williams, 1987: 15). Therefore the moralist conception view political corruption as a particular form of

disloyalty and a breach of faith or trust. Also the essence of corruption in the moralist conception of political corruption is located in some form of illicit or improper transactions or relationship between someone performing a public duty (public servants) and someone seeking undue and unwarranted preference or advantage (Williams, 1987: 15).

The practical problems of political corruption, inefficiency and mismanagement are regarded as ethical issues and the solving of which lies within the precepts of ethics (Department of Research Strategy, 1998: 5). Ethics are concerned with the development of human behaviour according to certain moral norms. Ethics are regarded as internal set of norms and values governing the inner being of a person. So ethics seek to promote internal commitment to the right and just action in the public service. Although external controls and methods of controlling corruption such as legislation, rules, laws and regulations are regarded as effective short-term remedies of addressing the symptoms of political corruption, they might not provide permanent solutions for political corruption in government institutions.

In his speech to Parliament in 1998, President Thabo Mbeki highlighted the urgent need for developing a set of common values within the South African public service in helping to develop a sense and culture of respect of public funds and resources. President Mbeki argued that there is a general need for the government in the country to promote the moral awareness and commitment to the public service and the great majority of the country in order to help eliminate corruption and other related vices in South Africa. Developing a sense and culture of respect in the public service will also help to create internal commitment of the public service in serving the South African society. It will also help public servants in dealing with corruption issues by providing them with an effective guiding framework in dilemmas.

THE LEGAL MEANING OF POLITICAL CORRUPTION

The legal meaning of political corruption appeals to rules and laws of regulating improper conduct by public officials. It relates political corruption to the violation of a rule and also relates to particular motive like improper advantage or gain of public goods and resources (Williams, 1987: 15). The main advantage of the legalistic conception of political corruption is that it gets us over the conceptual confusion of distinguishing the objectivity and subjectivity of corrupt practices (Williams, 1987: 15).

TYPOLGY OF POLITICAL CORRUPTION: A REVIEW OF FORMS OF POLITICAL CORRUPTION

Political corruption takes or happens in different forms depending on the type of situation where it is committed. Therefore political corruption has been defined by many authors and writers of the phenomenon through a number of illustrative types of political corruption for example the following: transactive and extortive corruption, autogenic corruption, supportive corruption, institutional corruption, patronage corruption, bribery, incidental corruption, systemic corruption, and systematic corruption.

TRANSACTIVE AND EXTORTIVE CORRUPTION

Transactive corruption refers to mutual arrangement between two or more persons that pursue a corrupt act to the mutual benefit or advantage of both parties. Extortive corruption on the other hand entails some form of compulsion, which includes minor thefts of government goods or resources without necessarily inflicting harm to the government (Heywood, 1997: 9). Alatas (1990: 27) mentions four other types of political corruption that revolve as by-products of transactive and extortive corruption. He mentions defensive corruption, which is related inversely to the extortive type, whilst investigative corruption involves the offer of government goods or services without any direct link to a particular favour, but with a view to future situations in which favour may be required. Nepotism corruption refers to the unjustified appointment of friends or

relatives to public office or according to them “favoured treatment to ties” (Heywood, 1997: 10).

AUTOGENIC CORRUPTION

Autogenic corruption involves just one person who profits, for example, from pre-knowledge of a given policy outcome, tender or contract of the government (Heywood, 1997: 10). A very good recent example of autogenic corruption in South Africa will be the government's controversial arms-deal. A number of government officials, including the former Minister of Defence, Mr Joe Modise, and the Chief Whip of the majority party, Mr Tonny Yengeni, received massive car discounts, business interests, private housing renovations and some even free cars.

SUPPORTIVE CORRUPTION

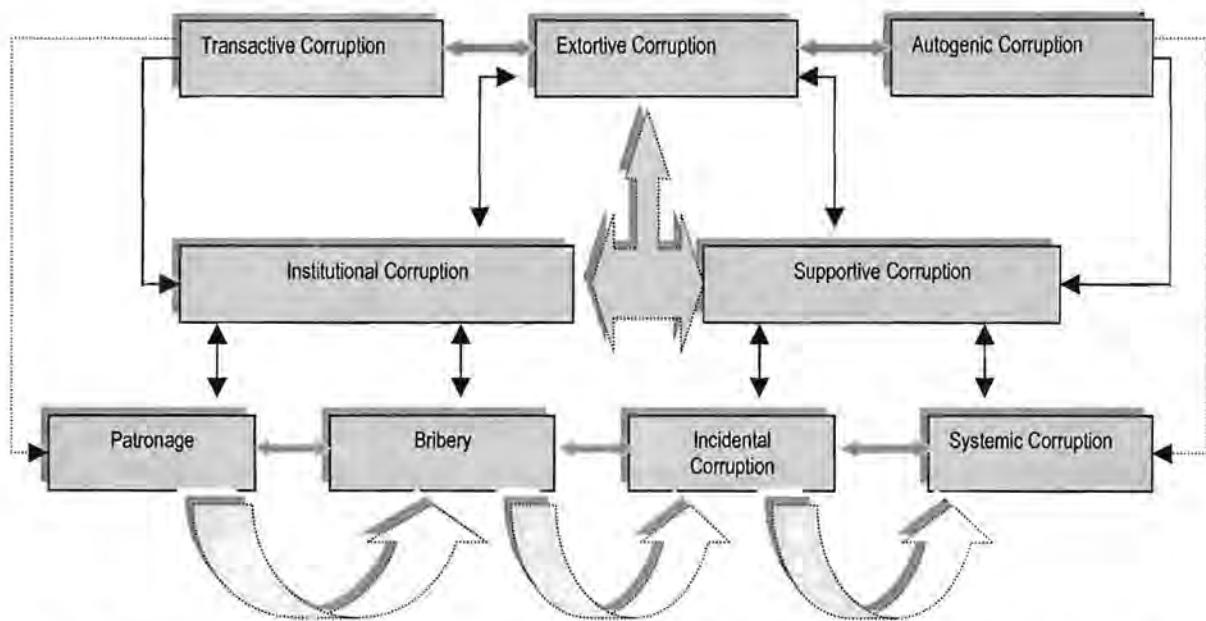
Supportive corruption describes actions undertaken by government officials to protect and strengthen existing political corruption by covering inconsistencies, mismanagement, and any form of irregularity in government (Heywood, 1997: 10). Paul Heywood (1997: 10) studying political corruption in developed countries, especially in the United States of America, also made two distinctions of political corruption: “grand” (national) corruption and “petty” (local level) corruption. These two types of corruption simply refer to the widespread of corruption from national structures and agencies to provincial and local structures like municipal public works or the intense concentration of corruption in either spheres of government.

INSTITUTIONAL CORRUPTION

Institutional corruption is a deeply contestable concept, which is not easily recognisable and implies a clear set of criteria depending on the understanding and definition of corruption in a country (Heywood, 1997: 23). Dennis F. Thompson commenting on the distinctiveness of institutional corruption in New Wales argued that “recognising

institutional corruption is not easy because it is so closely related to conduct that is perfectly acceptable part of political life” (Heywood, 1997: 23). However in the midst of this uncertainty in defining institutional corruption he argues that “institutional corruption occurs at the highest levels of government and involves major government projects and programs (Rose-Ackerman, 1999: 27). Institutional corruption may include bribes to transfer monopoly rents or contracts to private investors. This includes several reasons. Firstly, a firm may pay certain key government officials to be included in the list of pre-qualified bidders and to restrict the list. Secondly, it may include payment for inside and confidential information on bidding prices. Thirdly, bribes may be set to induce officials to structure the bidding specifications so that the corrupt firm is the only qualified supplier. Finally a firm may pay to be selected as the winning contractor (Rose-Ackerman, 1999: 27-28).

FIGURE 1: A TYPOLOGY OF POLITICAL CORRUPTION



Notes: The arrows that are used in this diagram simply show the co-relation of corruption cases in government institutions. For an example the above diagram shows that transactive corruption or a mutual arrangement between two or more persons may lead to the mutual benefit of both parties, which may also entail some form of compulsion between government officials in the public service. Another crucial variation from the above diagram is that it clearly denotes that institutional corruption can also lead or be a result of public officials protecting and strengthening corruption in government institutions by covering mismanagement or any form of irregularity in the public service. See Paul Heywood 1997: 10 – 23 for the corruption variations used in the diagram.

PATRONAGE CORRUPTION

Patronage corruption involves an unsymmetrical relationship or inequality of power between those in power (public servants) and those seeking access to public goods (citizens) (Philip, 1988: 33). The patron (public servant) acts as a means of access to goods and services, which the client (citizen) requires but has restricted or controlled access. Thus the patron might unlawfully or illegally provide such access in return for favours such as bribes or any personal favours (Phillip, 1988: 33).

BRIBERY

Bribery as defined by Rose-Ackerman (1999: 15) refers to informal payments to government officials usually in favour of services rendered. Bribery or the payment of funds to avoid legal means or proper channels in government institutions, has become a common practice to those who have discretionary powers over the provision of government goods and services in many government institutions. These public officials would lobby for personal payments from the public “to help speed up the process” (Rose-Ackerman, 1999: 15). Niccolo Machiavelli, in a Discourse III by Transparency International (1996: 48)¹⁰ distinguishes between four broad categories of bribery in government institutions:

- **CATEGORY ONE:** Bribes may be paid for:
 - (a) access to a scarce benefit, or
 - (b) avoidance of a cost.

Bribery in this category would generally include any bureaucratic decision where the briber's gain is someone else's loss. This will, for example, include access to import or export permits, foreign exchange, a government contract or franchise, concessions to develop oil or other minerals, public land allocation, the purchase of a newly privatised firm, access to scarce capital funds under state control, a license to operate a business

¹⁰ This paper is also available via http://www.transparency.de/documents/source-book/a/Chapter_2/index.html

when the total number of licenses is fixed, access to public services such as public housing (TI Source Book, 1996: 49).

- **CATEGORY TWO:** Bribes that are paid for receipt of a benefit (or avoidance of a cost) that is not scarce, but where state officials must exercise discretion.

This category would generally include illicit payments by certain individuals for permit (business, study or work permits), licenses, receipt of a civil service job, exemption from enforcement of the law to drug syndicates, illegal goods, and exemption from paying fines (TI Source Book, 1996: 49). The issuing of false drivers' licences in South Africa has been a common practice in this category. The South African Police Service uncovered a number of fraudulent licences in many provinces in South Africa between 1994 and 1999.

- **CATEGORY THREE:** Bribes that are paid, not for a specific public benefit itself, but for services connected with obtaining a benefit (or avoiding a cost), such as speedy service or inside information;

Although related to the above categories of bribery, the third category of bribery would include getting better services rather than a benefit per se, for example, inside information on contract specifications; faster service; reduced paperwork; advance notice of police raids; reduced uncertainty; or a favourable audit report that would keep taxes low (TI Source Book, 1996: 49).

- **CATEGORY FOUR:** Bribes that are paid
 - (a) to prevent others from sharing in a benefit or
 - (b) to impose a cost on someone else.

This category involves cases where operators of illegal businesses pay law enforcement agencies to raid other competitors. This category usually involves grand sums of money because of the stakes involved. Public officials would sometimes deal with big foreign

syndicates for illegal goods trafficking to a country (TI Source Book, 1996: 49).

In his study of "*The Political Economy of Anti-corruption Strategies in Africa*" Riley Stephen (1990: 140) extends this typology to include the following categories of corruption: incidental corruption, systemic corruption, and systematic corruption.

INCIDENTAL CORRUPTION

These are small-scale corruption involving individual and very junior public officials such as policemen, customs and tax officials. They often have little macro-economic costs, but profound public alienation and is generally hard to curb primarily because it is "done for minor and short-term benefits" by public officials. However programs designed to control incidental corruption should be 'individualized' through the recourse of law or procedural control (Riley, 1990: 140).

SYSTEMIC CORRUPTION

These are corruption incidences, which have larger developmental impact in the economy of a country. Systemic corruption can have substantial impact upon government revenues, policies and programs. Often to curb systemic corruption, governments need to have sustained institutional reform rather than 'individualized' responses (Riley, 1990: 140).

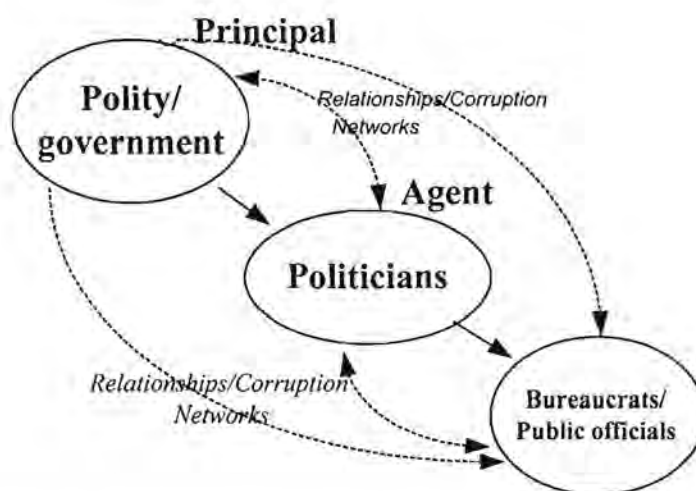
SYSTEMATIC CORRUPTION

Systematic corruption is some times referred to as kleptocracy, which basically means government by theft. This kind of corruption has huge developmental impact that might affect the legitimacy, sustainability and long term functioning of a country and its government. Mechanisms and instruments of control in a country with systemic corruption should be designed to reform the institutions, culture and physical entities (new public officials) of a country (Riley, 1990: 140).

CORRUPTION NETWORKS: UNDERSTANDING HIDDEN PATTERNS OF POLITICAL CORRUPTION

Ever since the publication of E. C. Banfield's article on "*Corruption as a Feature of Governmental Organisation*" in 1975, students of political corruption from both economics and social sciences have traditionally observed that "political corruption is an interactive relationship" (Heywood, 1997: 25). Thus Peter de Leon defines corruption as "a co-operative form of unsanctioned, usually condemned policy influence for some type of significant personal gain, in which the currency could be economic, social or ideological transactions" (Heywood, 1997: 25). In his study of corruption networks, Paul Heywood (1997: 25) argues that corruption becomes possible as soon as three types of parties exist: an agent (usually consists of government officials), a principal (the government) and lastly a third party who will suffer the consequences of both the agent and the principal (the public). See diagram 2 below.

FIGURE 2: CORRUPTION NETWORKS: OUTLINING THE HIDDEN PATTERNS OF POLITICAL CORRUPTION

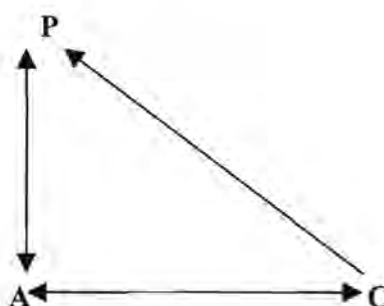


Note:

The above diagram signifies the relationships/networks that exist in many government or public institutions. It is based on Banfield's, Klitgaard's and Paul Heywood's analysis and theories of corruption networks.

Banfield (1975) (in Heywood, 1997: 47) argues that the agent is corruptible to the extent that he/she has, *a priori*, the ability to conceal his/her corruption from the principal. That means the agent mainly becomes corrupt when he or she sacrifices the interests of the principal for his or her own benefit, and “in so doing breaks and violates what ever law and institutional practices of the principal” (Heywood, 1997 11). This notion is maintained and developed by Robert Klitgaard (1988) who made a very interesting contribution to the study of political corruption. Klitgaard (1988: 13) argues that there are always three actors involved in any form of political corruption or corrupt transaction: a principal (P), an agent (A) and a client (C).

FIGURE 3: KLITGAARD’S P-A-C MODEL

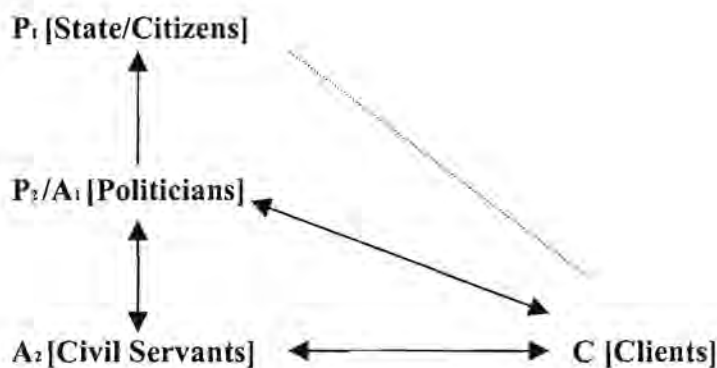


(Source: Klitgaard, R. 1988 *Controlling Corruption*. Berkeley: University of California Press)

Klitgaard (1988: 11) argues that (A) abuses the power given by the state, (P) accept the incentives for corruption, and (C) initiates or encourages corruption by offering corrupt incentives like bribes. According to Klitgaard (1988: 13) P selects A; P sets A’s rewards and penalties; P affects A and C’s moral costs of political corruption. This model clearly shows that the origins of political corruption lie at the very bottom heart of government institutions, with politicians and corrupt officials abusing their public power. It also depicts the relevance and importance of institutional reform in curbing political corruption. Galtung Fredrik (1998: 109 - 110) provides a similar model but illustrating the roles of all key stakeholders in political corruption.

Galtung Fredrik (1998: 109) argues that in practice the relationship between the principal P_1 , with the power to define and influence both its relationship to agents and clients and their relationship in each other can also become an agent either by assuming this role illicitly (for example by interfering in public contracts and tenders) or because another P_2 (for example head of state) redefines the P_2 's position.

FIGURE 4: A TWO-LEVEL P-A-C MODEL OF CORRUPTION



(Source: Galtung, F. 1988 Criteria for Sustainable Corruption Control.)

Therefore Galtung (1998) argues that P_1 cannot cheat itself; if C abuses its relationship to P_1 , and neither P_2 nor A_1 can continue such ill-practices if C (the client) seeks to abstain from such practices or A_2 cease to facilitate the relationship (Galtung, 1998: 110).

CORRUPTION NETWORKS AND THE SOCIAL AND POLITICAL STRUCTURE OF GOVERNMENTS

As put all too clearly in Granovetter (1985: 8), corruption networks are “embedded in the social and political structure of an agency or of the government”. They can be limited and non-organised (individual corruption) or in contrast regular and organised within the agency’s organisational structure. In the first case “there are no rules for the game” and no personal connections are involved in the “stealing” or misuse of government funds. Primarily, individual officials steal directly from the government without any group

effort. Whilst in the second case, which is facing many government institutions especially in developing countries, corruption turns into a political, economic and social exchange. The organisation of corruption by social networks within the government then prevails and enables a real institutionalisation of the phenomenon in the government (Heywood, 1997: 50).

The two socio-economic networks of political corruption, results primarily from selfishness of public officials and a lack of formal (rules, regulations and procedures) and informal control of their action (ethics). Jean Carter-Bresson (1996 in Heywood, 1997: 53) argues that the normalisation of acts of corruption operates by letting the gap between the spoken order (rules, laws, and regulations) and the order of concrete hidden practices (self-interests) to compete. Therefore Jean Carter-Bresson (1996) views corruption networks as “occult practices structured in the hidden agendas of public officials for their own economies of scale or benefit” (Heywood, 1997: 53). It is this network or the selfishness of government officials that creates the environment for government officials’ corrupt practices (Heywood, 1997: 53).

Another crucial analysis of corruption networks can take two crucial variants or approaches: a bottom-up approach and a top-down approach. In the “bottom-up” approach corruption benefits are shared between low- and top-level officials. The general pattern is such that low-level officials collect bribes and share them with their superiors either directly or indirectly through the purchase of their offices. Thus “*pay-offs*” to superiors is seen as a means of buying their silence or “understanding” of such corrupt practices (Rose-Ackerman, 1999: 82).

Whereas a “top-down” pattern may operate where corrupt superior officials buy the silence of subordinates by sharing the gains through high pay and perks or under-the-table benefits (Rose-Ackerman, 1999: 82). This pattern of corruption can also be reciprocal relationship either by illicit funds to superior officials or their tolerance of petty corruption practices by their subordinates. The bottom-up networks of corruption are the most serious and dangerous grounds for kleptocracy. This is primarily because

low-level officials calculate the chance that their superiors have in discovering their corrupt practices. Such a practice can transgress a deep social pattern of corrupt practices in the political system (Rose-Ackerman, 1999: 82-83).

In his study of corruption networks, the former professor at the University of Natal, Robert Klitgaard (1988: 23) developed the following formula on analysing and understanding relations and networks behind the ensure of corruption in many government institutions.

$$C (\text{corruption}) = M (\text{monopoly}) + D (\text{Discretion}) - A (\text{Accountability})$$

Robert Klitgaard (1988: 23) argues that corruption tends to emerge in highly centralised regimes, where small groups of individuals can make decisions and where mechanisms of accountability or any instrument of rationality put in place to guard the abuse of power by public servants does not function or is simply ignored by those who hold public positions. One crucial variation on Klitgaard's model is that it recognises the relevance and significance of institutional control in curbing or controlling corruption. It clearly shows that a lack of institutional control or lack accountability measures that will control individuals with access to decision making creates more opportunities for corruption.

$$C (\text{corruption}) = M (\text{monopoly}) + D (\text{Discretion}) - E (\text{ethics}) + A (\text{Accountability})$$

It is also important to add the fact that a lack of ethics in government officials is also a major contributor in the growing corruption nexus in government institutions across the globe. Therefore it is absolutely imperative that anti-corruption measures in the government also play a major role in promoting the integrity of public positions.

SOCIAL SECTORS AND LEVELS OF POLITICAL CORRUPTION

Political corruption, even in its most commonly known form of bribery, is a cross-sectoral problem in the sense that it found in the public and private sectors and in civil

society. Political corruption occurs on different levels of society or the social realism. This could range from individual or group attitudes and behavior, local community, provincial level, national level, international (for an example the relations between defined countries, like OECD, SADEC, European Union), to the transitional or supranational levels (where national state borders become incidental and almost not able to detect intrastate corruption). As stated, cyberspace should also be accounted for as part of social reality. This relationship of political corruption is clearly stated in table one below prepared by Vusi Mavuso and Stiaan van der Merwe (1999: 4) in their paper presented in the Durban Anti-corruption Conference.

TABLE 1: A MIND MAP FOR VISUALIZING MULTIPLE LEVEL, SECTORAL AND CROSS-SECTORAL CORRUPTION IN SOUTH AFRICA

LEVELS	SECTORS		
	Public sector	Private sector	Civil society
Personal/ Interpersonal Local	Personal actions and attitudes	Personal actions and attitudes	Personal actions and attitudes
	Local government	Local private enterprise	Community organization
Provincial	Provincial government	Private enterprise operating on provincial level only or provincial structures of private sector	Provincial structures
National	National government	Business operating on national level only or national structures	National organizations or national structures
International- Trans national	Governments outside South Africa and / or inter-governmental bodies in relation to South Africa or South Africa interacting with these institutions.	Business outside South Africa interacting with South Africa or South African and/or South African based business operating outside South Africa	International organs of civil society and donors/partners interacting with South Africa and/or South African organs of civil society interacting with donors/partners and international affiliations or international organizations.

(Source: Mavuso and van der Merwe, 1999: 4)

THE CULTURAL BASES OF POLITICAL CORRUPTION

Political corruption is an ethical and criminal phenomenon that has continued to exist throughout history. However, the debate on curbing political corruption in government institutions has recently intensified the calls for new strategies and mechanisms of control like transparency and accountability measures. Osei-Hwedie and Osei-Hwedie in Hope

and Chikulo (2000: 40) argued that the growing number of cases of corruption in Africa cannot be understood without understanding the history of the continent and its socio-economic development and administrative conditions. Services and administrative practices in Africa have been characterized by poor quality, wastage, maladministration, fraud, abuse and corruption. Politicians in the continent are known to intervene constantly in the ways in which public servants render their services. Politicians and the public service are also known to use public or government resources for their own personal gains (Osei-Hwedie and Osei-Hwedie in Hope and Chikulo, 2000: 40). The growing number and incidences of corruption in the continent have clearly demonstrated the non-existence of accountability measures in the use of government funds and resources. Many African leaders in Africa have a history of extracting government funds to their personal investment in foreign countries. The former President of Zaire, Mobutu Seseseko is generally blamed for what is today known as the poorest country in the Continent. In both Ghana and Zambia it is not rules and regulations that are lacking but rather that corrupt individuals dominate the government and abuse the structure. Corrupt individuals "hijacked" the government and used it to further their political and selfish interests (Osei-Hwedie and Osei-Hwedie in Hope and Chikulo, 2000: 45).

Wilson (1997: 386) argues that "the political ethos or style which attaches a relatively low value to probity and impersonal efficiency and relatively high value to favors, personal loyalty, and private gain" can lead to corruption. It is also argued that the influence of the extended family, and tribal or family loyalties and commitments can escalate corruption. Reciprocal relationships can undermine the effectiveness, efficiency and independence of service delivery by government officials. In Ghana, ministers and party officials, previously of modest means, suddenly became wealthy. Amamoo (1988: 33) argues that "they, and their wives often became not only opulent but also quite corrupt of corruption". Therefore anti-corruption measures in Africa need to deal with corruption as a cultural, leadership, societal and government malfeasance. Anti-corruption or corruption control measures need to create a broader environment for societal change and transformation.

POLITICAL CORRUPTION AND ITS CAUSES

The complexity of the phenomenon of corruption makes it difficult to provide a comprehensive account of its causes. However many writers, authors and students of corruption in government institutions have been able to come up with conclusive analytical issues on the causes of political corruption. In an exhaustive two-year study of fraud, waste, and abuse in government institutions, Jerome McKinney (1988 in Bowman and Elliston, 1988: 275) concluded that political corruption in many government institutions, agencies and structures is mainly erupted by four factors: situational pressure, poor internal controls, lack of personal integrity or ethics in public officials and the growing state or bureaucracy that makes it difficult for the government to monitor corrupt practices in government institutions.

First Jerome McKinney (1988) argues that situational pressure that typically involves indicators such as expensive habits of a decent lifestyle by government officials encourages public officials to engage in corrupt practices. McKinney (1988) argues that many government officials “steal” from the state primarily to supplement their poor salaries or maintain their acclaimed decent life style. Therefore many public officials see their public positions as an opportunity to live extremely well or better off than the majority of the public (Bowman and Elliston, 1988: 275). This has therefore created a strong feeling of entitlement in public funds and resources, and has also made many government officials to believe that they “deserve” their illegal entitlement in the government (Fleishman et al, 1981: 179).

Secondly, McKinney (1988) argues that opportunities for corruption are created by careless or poor internal controls in government institutions. This mainly includes poor or lack of internal control on public officials’ duties and actions, which evolve from blurred rules, laws and regulations. Many government institutions have weak and impotent and sometimes confusing rules and procedures that can easily be circumvented by officials’ self-interests (Bowman and Elliston, 1988: 275). Thirdly lack of ethics or personal integrity in public or government officials and politicians. Integrity defined by Fleishman

(1981: 53) means, “having a genuine wholehearted disposition to do the right and just thing in all circumstances, and to shape one’s action accordingly”. There is generally no statutory provision (laws, policies and regulations) for the right course of action, integrity or ethics in many governments. Public officials often use their own ways and solutions, which are often influenced by their own individuals’ interests in comprehending the rightful or necessary course of action in the execution of their duties (Fleishman et al, 1988: 54).

Finally, an influential view which derives mainly from within the discipline of economics sees corruption largely as the product of growing state intervention or proliferation of government institutions and decision-making and control of government goods and resources (Bowman and Elliston, 1988: 276). Paul Heywood (1997: 12) argues that the public sector has grown too wide in scope and size and so has the decisions and control of government funds and resources, which has created very good and conducive opportunities for political corruption. “With so much resources at his hand, the public official simply can not differentiate government resources and funds from his or vice-versa” (Heywood, 1997: 12).

Another factor, which has been attributed to the cause and increase of political corruption in government institutions, has been low payment to public officials. In a survey done by Transparency International and Gallup International Association (GIA) on “*Bribe Taking in Government Institutions*”, the respondents shared similar views when it came to the issue of why senior public officials and politicians in many countries take bribes. Most of them argued that the fact that many of, even the most senior, government officials receive low salaries, is the prime cause of government officials taking bribes. 33 % of the respondents thought that corruption had actually increased over the past 5 years due to the increase in living standard, which forces them to engage in corruption. Sixty-five percent (65%) of the respondents argued that low public sector salaries are the main cause of corruption in government institutions.¹¹

¹¹ the full report is available via <http://www.transparency.de/documents/cpi/bps.html#factors>

POLITICAL CORRUPTION AND INSTITUTIONAL SETTINGS

Several factors in government institutions, whether in Africa or in any parts of the world, promote corruption. This, also depending on the institutional setting of a government, may give rise to varying degrees and types of political corruption. According to Heidenheimer (1977: 43) political corruption occurs when a public officer as a power holder, charged with public power and responsibilities is induced by monetary and other rewards to take action favourable to the provider of rewards and hence damage the public and its interests. Thus Heidenheimer (1977: 43) views corruption in this sense as the “violation of public responsibilities in government institutions”. Kampe R. Hope et al (in Heideinheimer, 1977: 43) also argues that incidences of fraud and corruption may be motivated by conditions such as a corporate culture, ideological factors, including political motivations within government institutions or a corporate climate in government institutions that is conducive to corruption, for an example the common “everyone is doing it” syndrome (Heideinheimer, 1977: 43).

Wilson (1977: 386) identifies three theories, which explain governmental corruption in many countries: Firstly, he argues that a particular political ethos or style, which attaches a relatively low value to probity and impersonal efficiency and relatively high value to favouritism, personal loyalty and private gain, will lead to corruption. Secondly, corruption may also result from the process of ordinary people facing extra-ordinary temptations (such as personal financial problems and indebtedness) within an environment that does not keep a check on or conducive to corruption loops. Thirdly, he argues that corruption occurs in many government institutions primary because many governments are so constituted or seemed to have accepted that their work cannot be carried out without corruption (Wilson, 1977: 386).

Heideinheimer (1977: 45) also classifies the causes of corruption into three broad categories: individual explanations, situational explanations, social and institutional explanations by corrupt officials:

INDIVIDUAL EXPLANATIONS

Individual explanations associate political corruption with individuals who, provided with enough opportunities, will act corrupt. This argument is based on the discretionary power accorded to certain individuals in government institutions, to make decisions without any forms of check, answerability or supervision by superiors or by the public (Heideinheimer, 1977: 45). For example, Alatas (1990: 44) argues that political corruption tends to flourish in government institutions where there is wider scope of responsibility to public officials and where institutions for individual restraints are weak or does not exist. This is related to the factors that lead to political corruption in many government institutions across the globe. Mollie Painter (1999), who is a junior lecturer in the Center for Occupational Ethics in the University of Pretoria, argues that personal variables or personal reasoning by public officials play a crucial role in influencing their perception of remedies of their actions. See table 2 below.

TABLE 2: PERSONAL VARIABLES ON CORRUPTION ISSUES

MORAL REASONING	RISKS IN TERMS OF CORRUPTION
STAGE 1 <ul style="list-style-type: none"> • Concerns for obedience and punishment 	a. Tends to fear legal penalties but finds loopholes
STAGE 2 <ul style="list-style-type: none"> • Concern for co-operation with others for the benefit of self-interest and reciprocity 	a. Since bargains are struck in self-interest, s/he tends to the highest bidder
STAGE 3 <ul style="list-style-type: none"> • Concerns for enduring personal relationships 	a. Conflicts of interest, risks of nepotism
STAGE 4 <ul style="list-style-type: none"> • Concerns for law and duty 	a. Problems in identifying the public interest. b. Sectional interest may determine sense of duty. c. Inefficiency because of lack of discretion and reliance on red tape.
STAGE 5 <ul style="list-style-type: none"> • Principled reasoning 	a. Hypothetical reasoning tends to idealize and set too high ideals, but still the most effective in curbing corruption.

(Source: Painter, M. 1999 On Preventing and Combating Corruption.)

Painter (1999: 74 -76) also reaffirms the fact that political corruption has a heavy reliance to an individual official's conception of ethical issues in the government. She argues that whether the individual operates or works in an ethical environment or within an ethics

justice situation, his or her individual's reasoning impacts on his/her perception or susceptibility to political corruption.

SITUATIONAL EXPLANATIONS

The situational explanation of corruption, though much related to the institutional explanation, looks at broader societal changes. In this notion, Heideinheimer (1997: 46) argues that societies may also be encouraging and facilitating government corruption. Douglas (1977: 398) argues that individuals and societal groups have lost their traditional and religious beliefs, and thus their conscience thereby becoming more corrupt and tolerating corrupt behaviour more than before primarily because they do not see any wrong about corruption. Also in his "Growing Greed Theory" Douglas (1997: 398) maintains that due to rising expectations, people are greedier today or these days than before.

Situational Explanations also includes law enforcement processes and structures. Weak and biased judicial systems create greater opportunities for corrupt officials, simply because they know there are no remedies for their corrupt acts and practices. Alatas (1990: 45) maintains that scarcity of resources and goods, rampant and runaway inflation all make corruption an attractive and effective means for public officials to supplement their incomes. Wade (1989) also argues that public officials tend to view their political power as a resource and an important means to the organisation, accumulation and consumption of wealth as well as a means to higher social status in the community (Owusu, 1975: 237).

SOCIAL AND INSTITUTIONAL EXPLANATIONS

Social and institutional explanations on the other hand seek the causes of corruption in institutional cultures, temptations, imperfect systems of laws, poverty and political changes or instability of governments. Institutional explanations tend to deny the failure of government institutions or system to curb corruption. They either deny weak laws or weak institutional settings that creates bottlenecks for corruption. Huntington (1968) for

example, argues that political corruption tends to be high as a result of political change or instability. He also argues that political changes lead to widespread political corruption because it induces the following changes:

- (a) Changes in basic values of society;
- (b) Changes in achievement-based norms and identification with the state;
- (c) Creates deviations from known behaviour and accepted norms; and
- (d) Lead to new standard and the condemnation of traditional government practices like effectiveness, efficiency, accountability and so on.

South African society is in a process of transition between the apartheid era and a new, democratic dispensation. Public officials find themselves in the midst of this transitional process, confronted by principles and philosophies of the past and a new value system of the present. As a result a number of these officials have to confront ethical issues with their old mindset of “serving themselves” through government funds and resources (Van der Waldt and Du Toit, 1997: 38 –39). It is such a practice that was also used in many of the country’s former homeland areas where government officials did not separate government property from their own.

A number of authors on political corruption in South Africa have attributed the phenomenon of political corruption in the country to old apartheid practices. In their paper on “Corruption and Development in Africa” Ronal Hope and Bornwell Chikulo (2000: 221) argued that the apartheid era contributed enormously to the development of a culture of corruption in South Africa:

Many of these public officials had become disillusioned by their futile efforts to serve the apartheid ideology of administering the removal and resettlement of thousands of black people. They have developed a syndrome of a lack of enthusiasm to the extent sometimes of apathy and the huge amounts of money made available to government departments became too tempting to resist for some officials. Self-preservation and self-protection against criticism have become matters of primary importance even to the detriment of the very cause itself.

In many of the country's former homeland areas government officials were reportedly stealing government property and funds to secure themselves because of fear that they would not retain their employment in the new government. A number of them co-operated with contractors, producers, and suppliers in the private sector for personal gains (Pickard Commission, 1991: 112- 13). Very little focus was paid on government procedures, efficiency and effectiveness. Public officials' interests ignored all instruments of rationality and achievement-based norms that were set to improve and promote effectiveness and efficiency. Mr. Justice Pickard of the Pickard Commission concluded that "better than this I can't put it that to allege that theft, dishonesty, corruption, fraud, negligence, and unauthorized activities during the apartheid government resulted in huge losses...certainly run to many millions, if not billions" (Hope and Chikulo, 2000: 221-222).

THE PERVASIVE EFFECTS AND IMPACT OF POLITICAL CORRUPTION

One of the key economists, Paolo Mauro (1995: 681), who have conducted empirical research into the relationship between corruption and the components of government expenditure, argues that political corruption dismantles the effectiveness and efficiency of the government. Paolo Mauro (1995: 681-712) also concluded corruption leads to the following consequences:

- (a) Misallocation and therefore diverts the agenda of the government. Money that was intended for public consumption or societal development ends up into the pockets of unintended individual ministers.
- (b) Reduces tax revenues to central government and therefore affects the budget of the government. Corruption limits the financial resources of the government since no tax or any form of interests is accrued in corruption.

Donatella Della Porta and Alberto Vannucci (1996: 516-538) argue that political corruption distorts the decision-making process of the government since decision-makers may devote their energies towards appropriating government revenues for their own

benefits and hamper organisational consistency. Porta and Vannucci (1996: 517) also argue that political corruption can have detrimental effects on the economic growth of a country simply because it may affect the credibility of the country internationally and subsequently decreases investors' confidence. This may lead to investors to reconsider their investment in a country with high corruption or to the withdrawal of their investment capital (Heywood, 1997: 19 and Heath, 1998: 1). Political corruption also generates social costs as well as placing an increased burden on the government because very little is left to solve many costly societal problems (Heywood, 1997: 19). Political corruption also "eats up and absorb what little available to the government without any impact to the public and only allows crooks to full up their pockets" (Heath, 1998)¹².

"Old age pensioners are left to die of hunger because the government has no money to pay them. Homeless people are left without shelter or low cost houses simply because some unscrupulous contractor has taken the money and fled the country, school children are left starving day after day because the money for school nutrition program has gone to buy someone luxury cars and a beautiful home"

Political corruption therefore makes it more difficult for governments to form and carry out coherent policies, to respond to citizens' needs. It also makes it difficult for the government, especially in underdeveloped countries to use scarce resources in effective ways. In his paper on "*The Political Costs of Corruption*", Professor Michael Johnson (1993) provides both short and long-term costs of political corruption. Johnson (1993: 3) argues that "in addition to material costs one of the primary political costs of corruption is that it undermines and destroys the fundamental requirement of an open society, that of trust in public officials and institutions". In a society with corrupt government officials, citizens may often feel that it is quite futile to deal with the government through official and bureaucratic channels. Citizens may simply disregard projects and programs proposed by the government simply because they feel that it will benefit the very same individuals in government positions. They may fear that to approach an official or an agency of the government without engaging in "connections" or corrupt acts will be meaningless. Therefore in a corrupt society citizens turn to distrust the government, its

¹² A speech delivered by Judge Heath in the Anti-Corruption conference in 1998 also available via <http://www.mg.co.za/mg/news/98no1/13nov-corruption.html>

programs, projects and goals primary because they feel that they are not feasible and meaningful to their needs (Johnson, 1993: 4).

Writing about the political economy of political corruption, Robert Klitgaard (1991: 73) argues that the benefits and economic value of political corruption turn to favour a very few individuals that are in political advantage. In this sense it is arguable that political corruption diverts the resources, policies and projects of a government to benefit the “haves” rather than the intended poor or “have-nots”. Often the costs of political corruption in unsuccessful policies, lost and diverted resources are borne by the “have-nots” precisely those who are depended upon those programs, policies, formal rules and procedures (Johnson, 1993: 4). Analysing the costs of political corruption, Robert Klitgaard (1988: 46–48) argues that political corruption has the following impact in the public service:

- (a) in general, it is harmful to economic, political, and organisational development;
- (b) results in the reallocation of goods and services from intended societies to unintended recipients;
- (c) if circumvents an inefficient or unjust policy, it may lead to diversions from original policy outcomes;
- (d) generates negative externalities (“public bads”). It breaks down trust, confidence, and the rule of law;
- (e) is particularly harmful when it distorts incentives;
- (f) can generate great political costs and can lead to political instability;
- (g) the more it advisedly and directly affects the general public, the more likely is that public disaffection will grow, and
- (h) illicit “tips”, “speed money” or bribery can cause slowdowns, extortion and distortions in services (Klitgaard, 1988: 46-48).

Political corruption is costing South Africa more than just more than monetary loss. In the Department of Welfare millions are lost on pensions being paid to deceased persons, government officials receiving both a salary and a pension, individuals receiving more

than one pension under various names and "ghost" pensioners. Children and their caregivers in many parts of the country, especially in poor communities are malnourished and dying because scrupulous government officials steal their cheques. Corruption in South Africa is even embedded in housing allocation subsidies and their award in many parts of the country. In an investigation by the Department of Housing and Heath Special Investigating Unit, it was found that "a person would apply for a housing subsidy, after receiving it, the person would then re-sell or rent the house to another member of the (his or her) family, (Heath Special Investigating Unit, 1999: 2). A number of councils that I interviewed on the issue of housing in Mpumalanga indicated serious concerns in the Province's housing screening process. Bheka Mazibuko, Chairperson of the Urban Planning and Properties of the Mbombela Municipality indicated that this issue goes further where rich people with substantial income end up being the beneficiaries of houses intended for the poor (Mazibuko, 27 July 2001).

Generally, political corruption, fraud, abuse and maladministration have major socio-economic problems in South Africa. In many provinces of the country government programmes are either on a go-slow or stand still primarily because the money for building materials never arrived or building material were sold by certain individuals. In some areas communities are still battling with lack of infrastructure and community development primarily because of low quality goods, and inexperienced building contractors being used or contracted to do major tasks that are beyond their capabilities.

POLITICAL CORRUPTION AND PUBLIC INTEREST

Public officials are obliged to pursue public interest, that is, "to use the powers and resources of their offices or of the government to accomplish public purposes effectively and efficiently" (Fleishman et al, 1981: 9). The obligation by government officials "to pursue public interest" can be understood within three realms. Public officials are, first, obliged to respect the processes that legitimise their actions, " (Fleishman et al, 1981: 8). Typically this process requires public officials to share their authority with others and to subject proposed uses of governmental authority to the scrutiny of the public and their

representatives. Secondly, public officials are obliged both by a general duty of beneficence and by their oath of office to share the public interest – “to use the powers of their offices to accomplish public purposes as effectively, efficiently and as decently as they can” (Fleishman et al, 1981: 8).

Thirdly, public officials are obliged to treat each other and every citizen with respect, honesty, and fairness. Thus it is within the violation of these obligations that political corruption emanates and subdues the responsibility of government officials in many government institutions. Hence Carl Fredericks (in Fleishman et al, 1981: 25) argues that “political corruption is the results of the moral decay of the capacity of officials of a state to subordinate the pursuit of private interests to the demands of public interest”. And more recently many political analysts have appeared to agree or consented this derivative that what counts as a wrongful exercise of public duty must have some reference to accepted standards of behaviour or culture within a community (Fleishman et al, 1981: 25-26).

The Director of the Centre for Philosophy in the University of Maryland, Peter Brown (1979) argues that the moral dilemmas of public officials arise in a variety of circumstances, which are categorised in three broad categories. First he argues that moral problems in government institutions arise from simple moral deviance, which occurs when a public officials fail to observe some clear, relevant, and well-defined rules and regulations (Fleishman et al, 1981: 291). Typically, in this category moral defiance will occur where government officials disregard or fail to adhere and follow government rules and regulations. The failure of government officials in this regard is simply voluntarily primarily because of lack of respect to government legislation or a blatant or deliberate way of pursuing their personal interests.

Secondly, moral ambiguities arise when the general moral rules or the rules characterising a particular role do not give adequate guidance about how to act. Moral ambiguities usually arise when the situation falls outside the available rules, or because the rule itself is not clear (Fleishman et al, 1981: 291-292). For an example accepting

gifts from the public, private sector institutions can be seen by public officials as a mere "common practice" while some would view such an act as bribery or "unethical". The confusion or moral ambiguity arises because there is uncertainty as to the exact meaning of key conceptual elements that determine how public officials ought to behave (Fleishman et al, 1981: 293). This, therefore, necessitates the need for an ethical framework or moral standards in determining what constitutes to a corrupt act.

Finally, Brown (1979) argues that moral ambiguity in the public service arises because of conflicts among competing moral ambiguities. Moral ambiguity in this category arises from the different roles and social positions that public officials hold in society. A public official might feel compelled to hire friends and relatives, give government goods and resources, contract and tenders to friends and families simply because of his or her responsibility as a relative, friend or family. Such obligations require judgement that is based on moral conception of the right and wrong practice in the public service. It is optimal that for the South African government to curb and control the growing cases of corruption, nepotism and abuse in many government institutions across the country, greater consideration and effort need to be put in instilling an ethical framework in public officials. There is a considerable need for the government to make sure that the principles of the Public Service Code of Conduct are effectively promoted and practised to reduce corruption cases in the government.

POLITICAL CORRUPTION AND THE POLICY PROCESS

From an administrative point of view, political corruption can render government procedures and policy processes slow, ineffective and expensive to ordinary citizens or people who do not engage in such illegal or corrupt practices (Johnson, 1983: 6). Political corruption has considerable impact on the systems of rationality in a government. It also affects the rules, procedures and undermines the legislative capacity of a country. If people can steal and get away with it, many more others can also be influenced by such "benefits" to engage in corrupt practices. Thus political corruption has a negative effect in the policy process of a government, particularly on the policies, rules and legislation of

a country. It can also create a lack of respect of the rule of law in a country primarily because it is those in power that initiate distrust or undermine the legislative process of a country (Johnson, 1983: 7). Political corruption can also create the following in the policy process of a country:

- (a) A disintegrated policy process;
- (b) Disruptive policy process;
- (c) Delayed political development;
- (d) Weakens civil society's participation in the policy process;
- (e) Render society less-able to make a meaningful impact or influence the policy process;
- (f) Lack of citizen trust in government programmes and policies; and
- (g) Render existing and new policies and programmes unlikely to reach their intended recipients.

POLITICAL CORRUPTION AND POLITICAL DEVELOPMENT

Political corruption can also affect the political development of a strong and active civil society that strongly engages in the political processes of a country. It can also inhibit the growth of autonomous groups within civil society organisations by creating dependency and exploitative relationships between politically powerful figures and render citizens less able to influence and balance the state (Johnson, 1983: 7). Moreover political corruption can inhibit meaningful and structured political competition in a country. Citizens and the larger civil society will feel “what is the point of serving as, or remaining in, a loyal opposition if the real political game consists of finding a well-placed patron and using corrupt influence, and if political procedures do not produce real exchanges of power” (Johnson, 1983: 7). Similarly competitive party politics, offering meaningful choices, will be weakened or destroyed. Citizens will not find the need to participate in debates on public issues and interests primarily because they will feel that their views will be overridden by corrupt systems.

Political development produces a variety of institutional forms and accommodates differing alignments of groups and interests in a country. It also ensures continuous support to the growth of more durable institutional and professional values among civil servants. In a corrupt society or a government with corrupt public servants, both the independence of citizens and viability of their political and social organisations, and the sense of common interest or common good of a country, necessary to make a country work, can be eroded. Most importantly, in this sense, political corruption can prevent a society from realising the real strengths to be found through developing an open and legitimate political life. Political corruption can also “privatise” political life and systems of governing in a country to a very few “advantaged citizens”, corrupt public officials and the few citizens who can afford to pay bribes (Johnson, 1983: 80).

In country with a strong civil society or with autonomous interests groups and a strong interaction between them and the government, it is likely that a genuine political mandate may be maintained and which will give rise to increased morale and commitment among government officials. When civil organisations are strong enough to check the state and each other, and when they can settle upon mutually acceptable political rules, they can build a strong morale of respect and trust in public rules, institutions and regulations. Therefore political development in a country, especially among civil society is an essential factor in countering political corruption. It is of great significance that any anti-corruption measure should build up institutions and political vitality of its civil society in order to speed the development of countervailing political interests and to strengthen links between government and the people. It is also important that any anti-corruption strategy take into fact the significant role that civil society organisations can play in countering corruption and in exposing corrupt officials.

INTRODUCTION

This chapter will focus on the Mpumalanga Rural Housing Project in exploring and analyzing some of the major issues raised in the theoretical framework of this study. It will look at the procedural fairness or unfairness followed in the awarding of the Mpumalanga Rural Housing Project to the Motheo Construction Company Ltd and the impact thereof. This chapter will also focus on the role of the Mpumalanga Housing Board and key actors like the Board's Chairperson and its Secretariat, and the Minister of Housing in influencing the awarding of the project to Motheo Constructions. For presenting a contextual understanding of the Mpumalanga as a Province, this study will first give a social and political background and history of the Mpumalanga Province. It will then look at governance and social issues in the Mpumalanga Province. Finally this chapter focuses on the Mpumalanga Rural Housing Project as a demonstrable fact of corruption, its impact and implications on service delivery in many government institutions and provinces in South Africa.

THE MPUMALANGA PROVINCE IN BRIEF

Mpumalanga, which means, “place where the sun rises”, is located in the northeastern part of South Africa, and is bordered by Mozambique to the east and the Kingdom of Swaziland to the south and east. Mpumalanga also shares common borders with four of South Africa's nine provinces, the Northern Province to the north, Gauteng to the west, the Free State to the southwest and KwaZulu-Natal to the southeast (see map below). Mpumalanga province has a population of about 28 007 111, almost 7% of South Africa's population. Mpumalanga has its origins in the former homeland governments of KaNgwane, KwaNdebele, Lebowa, part of Gazankula (both Lebowa and Gazankula are now part of the Northern Province), and part of the former Natal Province, which is now

the KwaZulu Natal Province. Mpumalanga Province absorbed all of these homelands with all their social problems, administrative practices, and employees into one big Province. Mpumalanga is now one of South Africa's biggest provinces with a population of almost all of South Africa's ethnic and racial groups. Though originally or historically a place for the Swazi ethnic group in South Africa, Mpumalanga is also the home for Shangans (mostly of Mozambican origin), Zulu's, Ndebele's, Pedi, Sotho's and Afrikaners.

FIGURE 5: MAP OF THE MPUMALANGA PROVINCE



Source: <http://www.mpumalanga.com/html/regmap.htm>

Besides major service delivery issues, the Mpumalanga Province is currently facing a major challenge of transforming all its inherited structures and systems of governance into one effective and efficient system of government. One of the major governance issues facing the Mpumalanga government is the increasing number of corruption scandals that are exposed in the Province. The Mpumalanga Province has preoccupied many newspapers and news headlines in the country as “the most corrupt Province in

South Africa" (Mail and Guardian, 9 May 1998). It is, in fact, drowning in massive corruption scandals involving billions of rands in almost all of its eleven departments. The Province took the country with a storm when the former Managing Director of the Province's Corporation, Mr. Eugene Nyathi and his Chairperson Ms Ntsoaki Mohapi received approximately R 15 000 consultancy fees per day, which is approximately R1, 3 million a month (Parliament Whip, 7 August 1995).

Whiles fraud only involved between R 2 million and R 9 million between 1994 and 1997, the actual amount involved in the Province's drivers license scam would never be accurately determined (Department of Research and Strategy, 1998: 43). At least three Mpumalanga test centers were issuing up to three hundred driving licenses a day when unmonitored but could only issue twelve when following correct procedures (Sunday Times, 24 April 1997). According to the Auditor-General's Report (1998: 9-10) Some testing centers in Mpumalanga were issuing heavy vehicle licenses but the testing of such vehicles could not be performed due to lack of adequate facilities like heavy vehicles and a place for such vehicles.

A special report of the Auditor-General in 1996 addressed to the former Premier of the Province, Mr. Mathew Phosa was leaked to the Media. The report uncovered a "holocaust" of regional corruption in the Mpumalanga Province. It reported excessive abuse and misuse of government funds in regions like Botleng, Carolina, Embalenhle, Ezamokunhle and Graskop. This subsequently led to an unauthorized local government expenditure of about R 1,1 billion in the Province (Report of the Auditor-General, 1996: 4). Gerald Smith, the former head of one of Mpumalanga's regional councils was figured as "the regional corruption figure" in the Province (Mail and Guardian, 2 August 1996). Gerald Smith, a former Public Administration lecturer in Technikon Pretoria "misused" almost R 3, 24 million of the Regional Service Council's coffers (Mail and Guardian, 2 August 1996). The Premier of the Province, Mr. Ndaweni Mahlangu also earned himself a title as "South Africa's most controversial Premier" by publicly declaring that it is acceptable for politicians to lie (The Daily Dispatch, 23 June 1999). In a press conference

on the re-appointment of Mr J. Modipane, who was also in the centre of controversy with the signed three promissory notes to the value of R340 million, Mr. Mahlangu said:

"Many politicians deny they did certain things, but then later admitted to them. It is accepted and not unusual anywhere in the world. It wasn't the end of Bill Clinton's life and I personally don't find it to be a very bad thing" (Sunday Times, 27 June 1999).

Education is not immune of this corruption nexus in the Mpumalanga province. In 1997 matriculation¹³ results of the Province showed a dramatic "improvement" which raised questions across South Africa. An investigation done by the South African Certificate Council (SAFCRET) in 1998 the matriculation results of the Province were fraudulently inflated by 20% from 52% to 72% (Report of the Ministerial Examination Committee, 1999). The investigation also found that, in fact, 7 000 pupils who failed their matriculation examination were passed and 2 000 were awarded with exemptions (Report of the Ministerial Examination Committee, 1999). Some students who got a low mark as 22% had their results increased to 82% and some had their papers rewritten by examination assessors or moderators (Report of the Ministerial Examination Committee, 1999). As a results thousands of students in Universities the year after were seriously affected and some had to discontinue their studies.

A survey done by the Department of Research and Strategy on "*Corruption and Fraud*" in Mpumalanga found that between 141 and 335 government officials in the Province were some how involved in political corruption between 1994 and 1997. See Table below.

¹³According to the South African Education system senior or matriculation examinations is the culmination of twelve years of schooling and serves as an entrance in higher education or serves as a university, technikon, or collage entrance. These results are not only significant to students and parents but they also serve as a reflection of progress in the education system of the country. They also serve as an important guide to education planners and administrators. They are also used as an assessment of the capacity of South Africa's provinces in respect to education. Therefore good matriculation results in South Africa serve as a good reflection of the progress and achievement of the government of the day in improving the education system of the country.

TABLE 3: ESTIMATED NUMBER OF PEOPLE INVOLVED IN CORRUPTION IN THE MPUMALANGA PROVINCE BETWEEN 1994 AND 1997.

MINIMUM NUMBER	PERCENTAGE	MAXIMUM NUMBER	PERCENTAGE
141	30%	335	70%

(Source: Department of Research and Strategy, 1998: 45)

These figures exclude the number of "ghost" workers that were uncovered in the Province. It is also estimated that by 1997 between two and nine billion rands were lost in political corruption in the Province. See appendix E for statistics. The Department of Research also found that fraud accounted for 55.86% and maladministration 29.41% as the highest incidences of corruption in the Province and accounted for more than 85% of all reported cases of corruption in the Province. Nepotism and favoritism accounted for almost 3% of all cases and asset abuse about 12% (Department of Research and Strategy, 1998: 42).

The seriousness of corruption in the Mpumalanga province was also highlighted by a study done by Transparency-South Africa in December 2000. This study was looking at corruption and fraud reports in South African newspapers. The study found that of all the reviewed articles on corruption in the media two-thirds of the provincial corruption reports involved Gauteng and Mpumalanga (Transparency-South Africa, 2000: 11). See table four below.

TABLE 4: CORRUPTION REPORTING AT PROVINCIAL LEVEL IN THE SOUTH AFRICAN MEDIA

PROVINCES	COUNT	PERCENTAGE
Gauteng	138	39%
Mpumalanga	97	27%
Western Cape	45	13%
KwaZulu Natal	38	11%
North West	14	4%
Eastern Cape	14	4%
Northern Province	13	4%
Free State	11	3%
Northern Cape	4	1%
Total	374	

Source: Transparency-South Africa, 2000. Corruption and Good Governance: A Media Profile

Reports about corruption in Gauteng and Mpumalanga were also predominately about public sector incidents, while more than the average number of reports in other provinces like KwaZulu-Natal involved private sector institutions (Transparency-South Africa, 2000: 12).

THE SOCIAL PROFILE OF THE MPUMALANGA PROVINCE

Mpumalanga Province has a number of distinct and well noticeable socio-economic features. Almost 30% of those aged between 20 years and older have no schooling what so ever and about 30 % have some secondary education, 15% some primary education while only 5% have higher education qualifications. About 36% of the population of the Province earns less than R 500 a month and only about 8% earn more than R 4 500 a month (Census in Brief, 1996). The Province has one of the highest unemployment rates in South Africa, of about 33% equal to the average unemployment rate of the whole South Africa (see appendix F for statistics). About 40% of the population in Mpumalanga live in informal settlements (not shacks but self-made and traditional houses). Twenty-

eight percent (28%) of the population of the Mpumalanga Province live in two or fewer rooms including kitchen but not bathroom, which made housing the first priority for the government of the Province (Census in Brief, 1996). In fact, housing was among the first priorities of the Government of National Unity led by the African National Congress with the Reconstruction and Development Programme (RDP). One of the central directives of the RDP was "the establishment of housing as human right" (RDP Policy 1994, section 2.5.4).

The RDP therefore set an extremely ambitious target of one million low-cost houses in five years (between 1994 and 1999), which were specifically intended for low-income households and rural communities (RDP Policy 1994, section 2.5.2 also in Bond and Meshack Khoza, 1999: 74). This ambitious target was also confirmed in a 1994 White Paper entitled *A New Housing Policy and Strategy for South Africa*. By 1995, however, the huge housing backlog, poverty and fiscal constraints were identified in an RDP Ministry *Urban Development Strategy* as prohibitive factors for the goal of universal housing access by all South Africans, especially poor and disadvantaged rural communities. In July 1998, the Department of Housing stated that 596 059 of the promised one million low-cost houses had been completed. In a Speech to Parliament Minister of Housing Sankie Mthembu-Mahanyele (6 August 1998) herself cited community anger about the failure of the government to deliver adequate housing and the quality of housing projects, sterile projects and inadequate construction standards in many of the houses delivered. Minister Sankie Mthembu-Mahanyele argued that "some contractors and developers have taken advantage of the unrestrictive and loose definition of norms and standards, coupled with the fact that these were left to the discretion of the operatives on the ground to decide on the form of housing that needs to be erected, and built poor houses which have angered communities across South Africa (Speech by Minister Sankie Mthembu-Mahanyele, Parliament Media Briefing Week, 6 August 1998).

The shortfall of the Department of Housing and the government to meet the target of one million houses in a five-year period was very much evident and obvious in many of South Africa's poor and former homeland provinces with a high population density of

rural areas, underdeveloped and poor communities. The Mpumalanga Province was among the country's provinces that were also striving to meet their housing needs. According to Mr. Bheka Mazibuko, the Chairperson of the Urban Planning and Properties Committee and Mr. Mfana Nkosi, the Chairperson of the Disaster Management Committee in the Mpumalanga Provincial government, housing shortage is still a major issue that is facing the Mpumalanga government (Interview, 27 July 2001). Mr. Bheka Mazibuko even indicated that "the Mpumalanga Province has fallen below par to a great extent in terms of housing delivery. We have a housing crisis in this Province, especially in rural areas, which constitute more than 60 percent of the population of this Province. I would say they haven't seen the slightest light on housing" (Interview, 27 July 2001). What was also highlighted by other councilors in the Mbombela District Municipality Council (MDMC) was that the Mpumalanga provincial government has not been able to establish a project that will address the housing needs of rural communities in the Province. "We've been planning and running pilot projects since 1994. We started with Thekwane phase 1 and 2, Masoyi Project, Kabokweni Housing, Phumlani Housing Project and last month we started the Kwatshabala Housing Project. All these projects were said to be piloting an effective housing delivery system of the Province. Some of them are working well, some of them are a dismal failure for many reasons. The basic point is that we haven't been able as a government to come up with a provincial project that will effectively deliver to the people, especially in rural areas. It's true but we are not folding our arms" (Nkosi, interview, 27 July 2001).

The issue of non-delivery in the Housing Department in "meeting the housing needs of the Province" appears to be a major concern to the government, community organisations and the public (Provincial Auditor, Interview 28 July, 2001). Mr Maphiri, who is the Provincial Director of the Mpumalanga Province also indicated that non-delivery in the Province has been a major issue "since day one. Housing is worse. These are the major issues that we are all concerned about. The last thing I'd like to hear is that someone has stolen the money for a housing project or the money has disappeared into thin air" (Mr. Maphiri, interview 26 July 2001). Mr. Bomba Nkambule, who is the community leader on housing concerns in the Mbombela Municipality, said "Housing delivery in the

Mpumalanga Province is in turmoil. People in rural areas are still waiting for RDP and now we are talking of GEAR. They have been completely neglected and left out by the RDP train. It's 2001 now" (Nkambule, Interview, 28 July 2001).

At the beginning of 1996 there was a strong desire within the Mpumalanga Province to break the long-jam and a willingness to be innovative in achieving that objective - "meeting the housing needs of the Province" (Dreyer Commission Report, 1997: 6). This led to the Mpumalanga government seeking help from the private sector financial institutions like Nedcor Bank Ltd. The inclusion of Nedcor emanated from the Bank's commitment to actively engage in the process of facilitating the delivery of housing to the lowest income group in the Province. This led to the establishment of shared ideals and objectives between Nedcor and the Mpumalanga government that subsequently resulted in a relationship between the bank and the housing authority in the province. This relationship, stimulated by a challenge issued to the banking sector and financial services by the then Premier Mathews Phosa, in the late 1995 led to the signature of a "Memorandum of Understanding" between the provincial government, Nedcor and Roberts Ltd. This led to a first joint initiative between the three for the delivery of 6 000 houses within the Province.

By the last quarter of 1996 it was apparent that the joint venture and all intended projects were failing to meet the housing needs of rural and poor communities of the Mpumalanga Province. The Mpumalanga Housing Department developed a subsidy-linked project for the development of affordable housing in the Province. This project was re-affirmed by the Director-General of the National Department of Housing as "one of the biggest contracts in low-cost housing to be awarded by the government" (Auditor-General's Report, 1998: 2). The project was set to build 10 500 low-cost houses at a total value of R 190 890 000. This project was also set to be the first official rural housing project of the Mpumalanga government. The Minister of Housing, Mthembu-Mahanyile reaffirmed this in the launch of the project in Hezyview that "the Mpumalanga government has taken its first step in demonstrating its commitment in addressing the housing needs of poor

people in the Province" (Mail and Guardian, 1997, May 23). Mrs Mthembu-Mahanyile also said:

"We are building homes. We are eliminating corruption. We are improving technical efficiency. We are building capacity. We are delivering" (Mail and Guardian, 1997, May 23).

This was a phrase that turned out to be exactly the opposite after a couple of weeks of the launch of the Mpumalanga Rural Housing Project. An outcry by political parties, the media and a complaint by the Director-General of the Provincial Department of Housing, Mr. W. Cobbett and an unnamed Member of Parliament, led to an investigation in the awarding of the contract. Mr. Cobbett, a whistleblower, was fired thereafter raising the concerns and making a number of allegations suggesting an improper involvement of the National Minister of Housing, Mthembu-Mahanyile, in the awarding of the contract to an entity called Motheo Constructions (Pty) Ltd by the Mpumalanga Provincial Housing Board. It was subsequently reported that Motheo was, in fact, a company that belonged to Dr Thandi Ndlovu, a close friend of the National Minister of Housing, Mthembu-Mahanyile (Mail and Guardian, 1997 June 13). Dr Ndlovu, a medical practitioner in Orange Farm, who was the Director of the Motheo Constructions, was said to have no expertise on housing let alone experience rural housing and development. Mr. A Meridricks, formerly a Manager of Murray and Roberts a housing company that was incorporated to the Motheo Constructions, testifying on Dr Thandi Ndlovu's abilities as a developer in the Dreyer Commission said:

"I have absolutely no doubt that Dr Ndlovu is not a housing expert. She was a dreamer. And a dreamer with a great deal of determination. My impression was, she had spoken to Nedcor, please help put together a development company to help deliver housing in this category (rural housing)" (Dreyer Commission Report, 1997: 41).

In fact, Motheo (PTY) Constructions appeared to be on the Planned Priority Projects (PPP) list of almost all the proposed housing projects of the Mpumalanga Housing Department in 1999. See tale below.

TABLE 5: PLANNED PRIORITY PROJECTS LIST OF THE MPUMALANGA DEPARTMENT OF HOUSING 1999/2000

No:	PROJECT	DEVELOPER	AREA	NO. OF STANDS	TOTAL EXPENDITURE
1	Amsterdam	Motheo (PTY)	Amsterdam	378	-
2	Badplaas	HJC	Badplaas	400 + 400	-
3	Hazyview	HJC	Hazyview	900+900	-
4	Nkomazi	Motheo (PTY)	Nkomazi	500+500	3,546,510.24
5	Zamekomst	Motheo (PTY)	Zamekomst	1000+1000	694,914.05
6	Elandroorn	Motheo (PTY)	Elandroorn	500	3,500,191.37
7	Lothair	Golden Nest	Lothair	500+500	-
8	Standerton	Group 4	Standerton	250+750	-
9	Bethal	Golden Nest	Bethal	84	-
10	Ekgangala 84	Safrich	Ekgangala 84	500+500	-
11	Emelo	IWP	Emelo	550+550	-
12	Sinqobile	Comphousing	Sinqobile	550+550	-
13	Secunda	M5	Secunda	1200+1200	-
14	Tjakastad	HJC	Tjakastad	250+250	-
15	Secunda	Pilot Project	Secunda	60	-
16	Volkrust	Comphousing	Volkrust	116	-
17	Witbank	Euroam	Witbank	3000	-
18	Mathanjana		Mathanjana	385	-
19	Siyabuswa	Motheo (PTY)	Siyabuswa	385	-
20	Mkobola	Motheo (PTY)	Mkobola	385	-
21	KwaMhlanga	Motheo (PTY)	KwaMhlanga	385	-
22	Mbibane		Mbibane	385	-
23	Primkop	Hejema	Nelspruit	300+500	-
24	Roosenekal		Roosenekal	200	-
25	Burgersfort		Burgersfort	151	-
26	Ekulindeni	Motheo (PTY)	Ekulindeni	500	-
27	Empuluzi	Motheo (PTY)	Empuluzi	500	-
28	Elukwatini	Motheo (PTY)	Elukwatini	500	-
	Sub-Total				7,741,615.66
	Total			19614	7,741,615.66

According to the above PPP list, Motheo (PTY) was supposed to build more than 5 000 pilohouses across the Mpumalanga Province (Department of Housing and Land Administration Annual Report 1999/200: 8). Although records of the Motheo Constructions show that the company was created or "established" on the 20th of February of 1997 with a market share capital of R 400, a month after the proposition of the Mpumalanga Rural Housing Project (Mail and Guardian, 1997 October 23). This means that the Mpumalanga Provincial Housing Board, as an entity entrusted with the awarding of housing contracts and projects in the Province, awarded one of South Africa's biggest rural housing project to a company that was about a month old and had

never build a house or a shack (Mail and Guardian, 1997 May 23). The Mpumalanga Department of Housing and Rural Development not only awarded the Motheo (PTY) company one of South Africa's biggest rural housing projects, it also gave the company a lucrative deal to build the Province's first round of pilot houses.

The Motheo Construction Company was, in fact, awarded and allocated its projects before its existence and awarded the Mpumalanga Rural Housing Projects a month after it was formally registered. In an interview with the Mail and Guardian, Mr. W. Cobbett, who was a Director General in the Department of Housing, indicated the fact that Motheo was, in fact, awarded the contract before its existence. Mr. Cobbett argued that "it transpires that the funds for this project (Mpumalanga Rural Housing Project) were committed on January 16 (records of the Motheo Constructions show that it was established on the 20th of February of 1997), which means that the funds were already committed to a company that had yet to be created" (Mail and Guardian, 1997 October 23).

The Minister of Housing, Mrs S. Mthembu-Mahanyile, was also reported to be a close friend to the Director of Motheo Construction, Dr Thandi Ndlovu. Mrs Mthembu-Mahanyile was also reported to have had a close personal relationship with a former Nedcor banker, Mr Kevin Gibb, who was said to be the mastermind and architect behind the Motheo Scheme (Mail and Guardian, 1997 October 23). Mr. Gibb, who was also known as "Mr. Housing" in the Mpumalanga Province was said to have started lining up contractors a year before the proposal and approval of the rural project and only started mentioning the Motheo Constructions in 1997 (Mail and Guardian, 1997 October 23).

An investigation by both the Offices of the Auditor-General and the Public Protector found a number of misappropriations after interviewing the concerned officials and careful scrutiny of files and documentation on the Mpumalanga Rural Housing Project. After reviewing the strings of allegations in the Mpumalanga Rural Housing Project, both the Office of the Auditor-General and Public Protector recommended the establishment of a full-blown commission of enquiry on the project. The three-member commission

consisted of Hugh Ross Dreyer as a Chairperson, Adriaan Petrus Smuts and Michael Joseph Hart who were both commissioners. The Commission, which was subsequently called the Dreyer Commission of Inquiry, was tasked to investigate and report on the evaluation process that was followed in the awarding of the rural housing project. The Dreyer Commission found a number of questionable irregularities in the approval and awarding of the Mpumalanga Rural Housing Project.

The Mpumalanga Housing Board as the main board in the Department of Housing and Land Administration in the Mpumalanga province has to approve or confirm the decision of the Executive Committee to reject or approve, first in principle a project until further notification with the provincial government (Provincial Gazette Extraordinary Number 136, 1996). According to the Housing Manual and the Housing Arrangement Act 155 of 1993 the Executive Committee and then the Housing Board are required to receive all relevant tendering information by tenders to assist in their decision on whether or not to grant a contract. An investigation by the Auditor-General found that the Motheo Constructions Company did not give or disclose exact details of the proposed project to the Mpumalanga Housing Board. It was further ascertained that the following information as required by housing legislation in South Africa were never disclosed or presented to the Mpumalanga Housing Board:

- (a) information about the Motheo Construction (Pty) Ltd and its capability;
- (b) information about the managerial competency of the company;
- (c) information regarding the legal competence and technical expertise of a joint venture;
- (d) proposal or laid plan of the start or full project was ever presented to the Executive Committee by the Company; and
- (e) information for the involved financial institution as required by the manual.

Not only that the above information was never presented to the Mpumalanga Provincial Board but no formal application or any documentation was ever presented to the Board, or its executive about the Mpumalanga Rural Housing Project. The Board made a decision to award one of South Africa's biggest rural development contract to a company

that they never knew or without any consideration to following established government procedures and legislation in awarding contracts (Auditor-General's Report, 1997: 3). Although certain members of the Board testified to the Dreyer Commission that they received all the required documentation, it was later ascertained that the Board, in fact, made its decision based on an oral presentation by its Chairperson, Mr. S. Moodely (Dreyer Commission Report, 1997: 13). Mr S. Moodely, also testified unequivocally to the Dreyer Commission that "there was no documentation available for consideration by PHB members other than his memorandum to the MEC dated 25 November 1996" (Dreyer Commission Report, 1997: 14). Mr Moodely also verified the fact that the consideration by the Provincial Housing Board and its Executive Committee of the application and allocation of subsidies was primarily based on oral reports made by him and technical members of the Secretariat of the Mpumalanga Rural Housing Project (Dreyer Commission Report, 1997: 14).

One of the key requirements of the Housing Arrangements Act of 1993 (Act No. 155 of 1993) was that at least a quorum of the sixteen members of the Provincial Housing Board could effect a decision on either internal administration or the award of contracts. However, minutes taken on the day of the approval of the project to the Motheo Constructions showed that only "seven" members of the committee "approved" the rural housing project (Dreyer Commission Report, 1997: 8). Although it was stated on the meeting of the "approval" of the project that a quorum of seven members attended the meeting, one member of the Board was only "present" at the meeting according to the attendance register of the meeting (Dreyer Commission Report, 1997: 8). In terms of Section 11 (2) of the Housing Arrangement Act 155 of 1993 a Provincial Board shall consist of not more than 18 members and contains the proviso that if the members so appointed are less than 18, the number of members shall be divisible by three. As at the approval of the rural housing project on the 30th of January 1997, the Mpumalanga Housing Board consisted of at least a minimum of twelve members and subsequently a quorum would have been eight of those members rather "seven" or six (Dreyer Commission Report, 1997: 10).

The Housing Manual also requires that any project by the Ministry of Housing should be a joint venture with a financial institution. However, Nedcor, the "joint venture" financial institution mentioned in many reports of the Mpumalanga Housing Board on the rural project denied such involvement (Dreyer Commission Report, 1997: 30-33). The Auditor-General also found that no financial information relating to the Motheo Constructions Ltd was placed before the Mpumalanga Provincial Housing Board or to its Executive Committee. This was despite the knowledge by both the Executive and the Board itself that the legal competence, financial position and technical expertise of the parties to the project as a whole also needed to be assessed by the Board before awarding the projector contract.

Although the Provincial Housing subsidy of the government was R 15 000, the Motheo Constructions Company was charging each house at an inflation rate of R 17 250 (Auditor-General's Report, 1997: 5). This was also despite the fact that the low-cost housing scheme or the government's subsidy scheme did not make provision for inflation (Auditor-General's Report, 1998: 5). This escalated the cost of the project resulting in a few houses built than it would have been with the R 15 000 allowance. The Dreyer Commission (1997: 19) also found that the motivation for this increment was never discuss or even presented to the Executive Committee of the Provincial Housing Board.

In an attempt to minimise costs, while also in pursuit of the government mandate of building thousands houses to rural communities in the Province, the Company used low quality materials which are now clearly costing communities more than the subsidy amount they received from the government (Drayer Commission Report, 1997: 23). A number of houses were reportedly of low quality. Some of the houses built by Motheo Constructions were even cracking after a couple of weeks been built. According to the project plans it was expected that at least 5 000 houses be built in a year, but only about 120 houses were built by the end of 1999 (Mail and Guardian, 1997 October 23).

The National Department of Housing's Implementation Manual (IM) sets out a number of requirements that an application for a project liked subsidy (PLS) must meet before a

Provincial Housing Board can approve it. The Implementation Manual requires that, first, in the case of an application being made for an increase in the amount of the subsidy in order to compensate for an increase in the amount of the subsidy in order to compensate for costs incurred as a result of abnormal geotechnical and location factors, the amount of the increase for which application is made should be indicated, and that application should be motivated fully. The Auditor-General found that the Motheo Construction (Pty) Ltd had applied for a subsidy in excess of the maximum subsidy allowed for the project. No details or any other information was found for the increase from R15 000 to R 17 250.

Secondly, the Housing Implementing Manual (HIM) requires that a copy of the social compact agreement between the community-based partner of the developer and other stakeholders in the project have to be submitted to both the Executive and the Mpumalanga Provincial Housing Board. No copies of social compact agreements between Motheo Construction (Pty) Ltd and any community-based partners were submitted let alone mentioned in the "proposal" by the Motheo Constructions.

Thirdly, the manual also requires that if a copy of the agreement between the developer and any particular stakeholder in the project has not been obtained at the time of submission of the proposal, a summary or detail of the steps taken to obtain the stakeholders' approval has to be kept for record. However there is no summary or any details of efforts by either the Mpumalanga Housing Board, the Executive or the Minister of Housing in ascertaining the validity of the existence of the financial institution mentioned in the Motheo Construction proposal or the Motheo Constructions Company itself (Auditor-General's Report, 1998: 7).

Fourth, the manual requires that a locality sketch, a preliminary layout plan and proposed house plans or sketches with full specification for top structures should accompany the proposal. A perusal of the "proposal" submitted by Motheo Constructions indicates that none of the aforementioned items were presented nor were these items available to the Provincial Housing Board when it made its decision on the rural project (Auditor-General's Report, 1997: 5-6).

Fifth, the manual also requires that a proposal has to be accompanied by details of quality control measures and warranties in respect of building effects that have to be adopted by the Provincial Board and the Executive Committee. No evidence of such details could be found by either the Auditor General or the Public Protector. The Housing Implementing Manual requires that such a proposal should be accompanied by all the professional consultants and contractors that will be utilised to plan, design and execute the project have to be supplied with the proposal of the constructor. The Auditor General and the Public Protector could not find any of this information in the Motheo Construction's "proposal".

The Implementation Manual also prescribes that the government will not approve any project unless funds are allocated to the project and that a programme for the implementation of the project has to be supplied. However information supplied to the Auditor-General and the Public Protector shows that no funds were allocated for the purposes of this project on approval by the Mpumalanga Housing Board.

The manual also requires that the Secretariat of the Provincial Housing Board assess the extent to which the project is integrated and compatible with surrounding development in a manner that impacts positively on natural and built-up surroundings. These criteria appear to have been ignored by the Secretariat. In certain areas like Hazyview some houses had to be demolished owing to a dispute regarding the relevant area, since the relevant tribal authority had not been consulted about the development of such areas.

The Mpumalanga Rural Housing Project provides a very good case for understanding maladministration and the disregard of government procedures by government officials. This case clearly denotes that although a great emphasis in the public service has been to strengthening institutional efficiency, a great deal of effort is required in making sure that government officials respect and use established government rules, procedures and regulations.

The Mpumalanga Rural Housing Project also indicates substantial disregard for the due and proper procedure by people in positions of public trust. These incidences also signify the following:

- (a) A lack of commitment from public officials in properly adhering and following established procedures and rules in government institutions. The Mpumalanga Housing Board not only showed lack of commitment in following the government's procurement policy of a transparent and fair tender process, it also showed disregard of the main law of the Republic of South Africa, the Constitution.
- (b) Although there were certain requirements in awarding government contracts in the Province, for an example, that any approval by the Board should first be with the Executive Committee of the Board, the Chairperson of the Board seems to have more knowledge and overriding powers in the approval of contracts than the Board. It is such absolute power that made him take decisions on behalf of the Board, which is contrary to housing regulation in the country.
- (c) This is also encompassed by the lack of clearly defined procedures and systems of control in government institutions in the country and across the globe. The Auditor-General found that the Mpumalanga Provincial Board "did not authorise the Chairman of the Board to enter into the agreement", (Auditor-General's Report, 1998: 9). However it was found that the Chairman was operating within a broader or "general" mandate of the Board that allowed him to act on behalf of it, (Auditor-General's Report, 1998: 9).
- (d) Lack of control in the use of public funds by government officials especially those who have discretionary powers to decide on financial matters.
- (e) Lack of proper funding formula in terms of payments to contractors or to any government payment.

- (f) Poor or lack of internal control on public officials' duties and responsibilities, which involves blurred rules, laws and regulations.

The Mpumalanga Rural Housing Project also shows that a great deal still needs to be done in improving South Africa's anti-corruption measures, especially accountability and control mechanisms on public officials' duties and responsibilities. Available rules and mechanisms of control need to be reviewed to ascertain their effectiveness and relevance in the government. Although the government has been able to pass and transform a number of laws in the Country, a number of rules that many government institutions in South Africa use, especially on the former homeland Provinces, are old and outdated. The Corruption Act is a good case that shows that a number of laws in South Africa still need to be reviewed and updated. The government needs to ascertain what is political corruption in a South African context. It also needs to determine what constitutes a corrupt act in the public service not to base its arguments on speculations or imprecise conception of political corruption.

CONCLUSION

Housing delivery is the cornerstone of development and a crucial element in the transformation of the South African landscape and its societies. However, despite its importance housing delivery in South Africa has almost ground to a dead halt. This is due to an array of issues and in the Mpumalanga and many of the country's provinces. Corruption is just one of them but it is in many ways the most crippling one. Projects may never get off the ground primarily because funds are misappropriated, government uses unqualified and inexperienced contractors and these contractors use low quality building materials. In certain instances those who are involved in the allocation of houses are unscrupulous individuals concerned with their private interests. They provide government houses to people who are not the intended recipients of the government's housing resources. Such malpractices seriously impede the government's ability to deliver to the great majority of poor people and disadvantaged communities, especially in rural areas.

Chapter 5 : Remedying Political Corruption: a search for means and strategies of control

REMEDYING POLITICAL CORRUPTION: MEANS AND STRATEGIES OF CONTROL

"If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government, which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself."

James Madison
In *The Federalist* No 51

Various mechanisms, institutions and strategies can be used to control and prevent political corruption in South Africa. However, their effectiveness and efficiency is subject to a range of factors, including independence, sufficient resources, legislative framework, political interference, political manipulation, and lack of skills. Traditionally, a South African approach in dealing with political corruption or corruption in general has been through the criminal justice system, focused on arrest, trial and incarceration upon conviction. This has made political corruption in the country not the easiest offence to prove (Van Tonder and Goss, 1998: 1)¹⁴. Historically and perhaps perceptively, practitioners such as investigators and prosecutors have interpreted legislation as limiting the offence of bribery in the country to transactions between persons in the employ of the state and private persons. It was only on the 3 July 1992 that a comprehensive statutory definition of corruption in the country came into place with the Prevention of Corruption Act or the Corruption Act of 1992 (Act 94 of 1992). The Act states that:

Any person shall be deemed guilty of corruption offence whenever such a person corruptly accepts, obtains, or agrees to accept any gift as an inducement or reward for himself or herself or any other person ...and any

Von Tonder, L. and Goss, P., 1999 "Effective Use of Legal Remedies For Corruption: A South African Perspective".¹⁴ In a paper they presented to the 9th International Anti-Corruption Conference in Durban, South Africa in 1998.

person who corruptly gives or accept any gift from a party as an inducement or reward for rendering services on behalf and in favour of the designated party shall be deemed guilty of a corruptible offence.

There are two types of corruption created in this section, namely active and passive corruption. In simply terms practitioners interpret the Act as meaning that corruption is committed by:

- (a) *Active Corruption*: is created in section 1 (1) (a) and is committed by the *corrupter*. The *corrupter* initiates the advance and makes the payment or a person encourages the behaviour by inducing someone or others.
- (b) *Passive Corruption*: is created in section 1 (1) (a) (ii) of the Act and is committed by the *corruptee*. The *corruptee* is the person who receives the payment and delivers the service or a person, who accepts, obtains, agrees to be corrupt or reward him/herself or any other person.

According to the Corruption Act, in its elementary form corruption occurs when any undue compensation or benefit is given to a person for any conduct or omission related to his/her duty or position of power or authority (Van Tonder and Goss, 1998: 2). The above definition by the Act also views corruption in a much broader sense and view the following behaviour as compromising corruption;

- (a) *Bribery*, that is, the use of a reward to pervert the judgement of a person in a position of trust;
- (b) *Nepotism*, that is, the bestowal of patronage by reason of prescriptive relationship rather than merit, and
- (c) *Misappropriation* as the illegal appropriation of public resources for private uses” (Heideimheimer et al, 1993: 9).

However according to the report by the South African Justice College, up until October 1995 there were no court decisions that could enlighten the practitioner on the interpretation of the Corruption Act.

The introduction of a number of reform legislation by the Department of Justice has created a comprehensive approach that extends beyond a criminal justice focus (Van Tonder and Goss, 1998: 1). Several bills have since been drafted to counter political corruption in South Africa. The Cabinet has approved the following bills, which are designed to increase the capacity of the legislative framework of the country in dealing with the control of political corruption:

- (a) The International Co-operation in Criminal Matters Bill;
- (b) The Organised Crime Bill;
- (c) The Extradition Amendment Bill;
- (d) The Money Laundering Control Bill;
- (e) The Special Investigating Unit Tribunals Act, 1996.
- (f) The Promotion of Access to Information Act, 2000
- (g) Whistleblowers Act or Protected Disclosure Act, 2000

INSTITUTIONS FOR COMBATING POLITICAL CORRUPTION IN SOUTH AFRICA

A number of anti-corruption institutions have been established in South Africa. This section will make a brief profile of all the existing anti-corruption institutions in South Africa: the SAPS: Commercial Branch Unit, SAPS: Anti-Corruption Unit, the National Prosecuting Authority, Criminal Justice Agencies, Constitutional Oversight Bodies, and other role players anti-corruption institutions like the National Intelligence, South African Revenue Services (SARS), and the Office of the Auditor-General.

1. THE SOUTH AFRICAN POLICE SERVICES: COMMERCIAL BRANCH UNIT

The Commercial Branch Unit is a specialised unit of the South African Police Services (SAPS), which is subject to the Police Service Act No 68 of 1995. It polices over 50 statutes relating to fraud, corruption and commercial crime offence. The Commercial Branch Unit was established with the main objective of ensuring effective prevention and investigation of commercial related crime in South Africa. It was also aimed at

developing and maintaining a strategic direction to the effective investigation of: Commercial Crime, Syndicate Fraud, Fraud, Serious Economic Offences, Computer Crime and Custom Law Enforcement.

Resources and Capacity

Commercial Crime Units have been in existence in South Africa for over 30 years, and have increased to a Unit of about 1111 staff in 2001. Between 1998 and 2000 the Commercial Branch Unit investigated almost 190 000 cases of fraud, syndicate fraud and corruption worth over 10 billion. See table below.

TABLE 6: COMMERCIAL CRIME UNIT CASES BETWEEN 1998 AND 2000

Year	Cases	Value in Rands	Corruption	Value in Rands	1 st appearance/ arrest
2000* ¹⁵	66 439	3787959514	125		
1999	60 761	3643707662** ¹⁶	149	474 6506	32
1998	59 515	843 162 640	88	569 200	35

Source: Commercial Crime Report RSA: 2000

Although there has been a steady increase in commercial crime cases as well as their value, the number of cases brought under the Corruption Act has drop significantly (Commercial Crime Report, 2000). This is attributed to the fact that the nature of these crimes is very difficult to prove. The Commercial Investigating Unit currently has 43 007 outstanding cases under investigating and a backlog of 39 000 cases.

Challenges facing the SAPS: Commercial Branch Unit

The Commercial Branch Unit is facing a number of weaknesses, which include the following:

¹⁵ * (2000 - unaudited figure)

¹⁶ ** The increase of R 3 billion in 1999 relates to fraud cases

- A lack of experienced personnel. Over the last few years the Commercial Branch Unit has lost experienced investigators to the private sector for high salaries and better benefits. There is also concern that present talk of restructuring is lowering morale and encouraging dedicated and talented staff to leave the service (Camerer, 2001: 57).
- Owing the nature, complexity and extent of the cases which the Unit has to investigate they take a long time to be finalised. Investigators of the Unit are said to receive new cases on a daily basis, which increases the workload and causes backlog.
- The work of the Unit is also delayed by the fact that sometimes it has to employ external accountants to conduct forensic accounting investigations. This process is time-consuming and cases take long time to be finalised.
- A lack of information technology and software programs to assist investigators. The Unit is said to have outdated or old technology that cannot keep up with the sophisticated technology used by criminals (Camerer, 2001: 62-63).

2. THE SOUTH AFRICAN POLICE SERVES: ANTI-CORRUPTION UNIT

On the initiative of the National Police Commissioner in 1995, a National Anti-Corruption Unit (ACU) was established in January 1996 within the South African Public Service. The main objective of the Anti-Corruption Unit, as contained in the 1998/1999 Police Plan was "the reduction of corruption within the South African Public Service by increasing detection, apprehension and/dismissal of offenders".

Resources and Capacity of the Anti-Corruption Unit

The Anti-Corruption Unit has 145 staff in four of South Africa's provinces: 55 in Gauteng, 34 in KwaZulu Natal, 11 in the Western Cape, 18 in the Western Cape and 27 at the National Branch. As of June 2001 the SAPS: Anti-Corruption Unit employed a total of 122 investigators and 23 administrative staff to police over 100 000 of South Africa's public servants (Brochure: SAPS Anti-corruption Unit, 2001).

The SAPS Anti-Corruption Unit was investigating over 6 000 cases of corruption in the public service between 1998 and 2000, received 2 689 case dockets, charged or arrested 1309 and convicted 480 public servants. See table below.

TABLE 7: STATUS OF CASES IN THE SAPS ANTI-CORRUPTION UNIT BETWEEN 1998 AND 2000

Cases	1999	2000	1998-2000
Enquiries received	3 568	3 912	6 102
Case Dockets received	1 102	1 301	2 689
Members charged/arrested	609	754	1 309
Members Convicted	480		480
Cases withdrawn/acquitted	312		312

Source: SAPS: Anti-Corruption Unit response Audit Questionnaire

Challenges facing the SAPS: Anti-Corruption Unit

The SAPS: Anti-Corruption Unit is clearly an agency which has a very specific focus on corruption, both reactively in terms of investigation and proactively with regards to prevention and deterrence. However, in terms of investigating acts of corruption and misconduct against police corruption there is a clear overlap with the mandate of the Independent Complaint Directorate (ICD). There is also uncertainty to the future of certain staff because of the policy decision to close down 60% of the Anti-Corruption Units (Public Service Commission Half-Yearly Report, 2000).

3. NATIONAL PROSECUTING AUTHORITY (NPA)

In 1998 Parliament passed the National Prosecuting Authority Act to give effect to the constitutional provision dealing with the prosecuting authority and spell out the details of a new prosecutorial system for the country. With the promulgation of the National Prosecuting Authority Act No. 32 of 1998 South Africa's first centralised national prosecuting authority, headed by a National Director of Public Prosecution was established. The National Prosecuting Authority was established carry its constitutional

mandate to institute criminal proceedings on behalf of the state and to make provision for:

- i. The establishment of an Investigating Directorate to prioritise and investigate particular serious criminal or unlawful conduct, and
- ii. The necessary infrastructure and resources to perform these functions.

Resources and Capacity of the National Prosecuting Authority

The National Prosecuting Authority has a working budget of R 150 million. 90% of this money goes to personnel expenditure. Thus the amount left over for investment towards research, libraries and institutional development is limited. Furthermore the National Prosecuting Authority spends R26.5 million of its budget on the witness protection programme a fact that also limits its institutional growth and functionality (National Prosecuting Authority of South Africa: Strategy Plan for year 2001).

The National Prosecuting Authority has a staff member of 2 153 prosecutors across South Africa. See table below.

TABLE 8: REGIONAL BREAKDOWN OF THE NATIONAL PROSECUTING AUTHORITY

Regions	Prosecutors
Eastern Cape	294
Free State	158
KwaZulu Natal	374
Northern Cape	73
Northern Province	141
North West	131
Mpumalanga	115
Gauteng	583
Cape Town	284
Total	2153

Source: Schonteich, M 2001 Lawyers for the People: The South African Prosecution Authority, ISS Monograph No. 53

The National Prosecuting Authority plays a unique role with respect to corruption in South Africa. It is the only body that can prosecute criminal cases of corruption in the country. Of all the cases of the National Prosecuting Authority, over 65% of them result in conviction. See Table Below.

TABLE 9: CASES AND OUTCOMES OF THE NATIONAL PROSECUTING AUTHORITY

Court	Cases Finalised	Conviction Rate	Cases Withdrawn
District	275 478	82%	269 025
Regional	33 758	65%	25 895
High	1392	77%	127
Total	310 628		295 047

Source: Schonteich, M 2001 Lawyers for the People: The South African Prosecution Authority, ISS Monograph No. 53

Challenges facing the National Prosecuting Authority

In terms of the cases withdraw poor investigating skills on the part of the police have been attributed as a major contributing factor. The National Prosecuting is also facing a backlog of cases from previous years. However, a strategy on courts sittings on Saturdays as well as employing contract prosecutors has been devised to redress this problem. Last year the National Prosecuting Authority registered approximately 979 cases, 270 cases were enrolled for trial and resulted in 119 convictions and 10 acquittals, a success rate of over 92% (National Prosecuting Authority of South Africa Annual Report, 2001).

4. DIRECTORATE OF SPECIAL OPERATIONS (SCORPIONS)

In his opening of Parliament Address in June 1999, President Thabo Mbeki announced that a "special and adequately staffed and equipped investigating Unit" would be established to deal with national priority crimes and the general lack of an efficiently coordinated attack on organised and syndicate crime. The Directorate of Special Operations (Scorpions) was established under the National Prosecuting Authority Act No 61 of 2000 which also makes provision for the existing Investigating Directorate like the

Investigating Directorate: Organised Crime (IDOC), Investigating Directorate: Corruption (IDCOR), and Investigating Directorate: Serious Economic Offences. The main purpose of the Directorate of Special Operations Units is to combat organised crime, corruption within the criminal justice system, serious economic crimes, and crimes against the state such as terrorism. The Directorate of Special Operations is an attempt by the South African government to institutionalise a proactive, multidisciplinary approach to fighting crime. The rationale behind it is the integration of three traditionally separate functions: intelligence, investigations and prosecutions.

Resources and Capacity of the Directorate of Special Operation Units

The operating expenditure of the Directorate of Special Operations in terms of the government's medium term expenditure framework is R 150 million for 2000/01 terms, R 210 million for 2001/02 term, R 272 million for 2002/03 term and R 316 million for 2003/04 term.

During 2000 the special operations was involved in a total of 87 investigations. At the end of December 2000, 25 investigations were finalised. The office was still conducting a total number of 60 investigations at the end of December 2000. At the end of 2000, the total estimated amount involved relating to the offences under investigation was four billion seven hundred and nine hundred and seventy million and ninety one thousand rands (R 4970, 97 million) (National Prosecuting Annual Report, 2001).

Challenges facing the Directorate of Special Operations (Scorpions)

The Scorpions have proved to be a success story of the Directorate of Special Operation. However, concerns have been raised that it could further dent the effectiveness of the South African Police Services and the morale of its members. This has been attributed to the fact that as an "elite unit" its members receive better salaries and have access to better facilities, training and resources that are likely to entice more experienced and competent

members of the South African Police Service detectives to seek work with the Scorpions (National Prosecuting Authority Annual Report, 2001).

5. ASSET FORFEITURE UNIT (AFA)

The National Directorate of Public Prosecution established the Asset Forfeiture Unit to focus on the implementation of Chapters 5 and 6 of the Prevention of Organised Crime Act, Act 121 of 1998. The Unit was set up in order to ensure that the powers in the Act to seize criminal assets would be used to their maximum effect in the fight against crime and in particular, organised crime.

The focus areas that the Asset and Forfeiture Unit has identified for itself include:

- i. Seizure of large amounts of cash associated with the drug trade;
- ii. Seizure of property used in the drug trade or other crime;
- iii. Corruption;
- iv. White collar Crime;
- v. Targeting serious crime; and
- vi. Violent Crime.

A further priority of the Asset Forfeiture Unit has been to deal with corrupt government officials. Recently the Asset forfeiture Unit was delegated to take responsibility and deal with the enforcement of anti-money laundering legislation.

Resources and Capacity of the Asset Forfeiture Unit

The operating budget of the Asset Forfeiture Unit has risen from R 18 million to R 25 million in 2001. It is staffed with criminal and civil lawyers, financial investigators and accountants. Due to high priority to according to the work of the AFU by the National Director, the Unit has continued to grow rapidly, with its staff doubling from 22 to 47 during the 2000 with an approved staff establishment of 66 in 2001 (33 prosecutors, 4

accountants, 15 investigators and 15 administrative staff (National Prosecuting Authority Annual Report, 2001).

The AFU has a total amount of R 218 million of assets frozen in terms of the 57 orders that are in force. It has already proceeded to the second stage where it applies for the forfeiture of the frozen assets in 38 of the 57 cases. Thus far 18 of the 38 forfeiture applications involving R 7 million have been finalised with a 100% success rate (National Prosecuting Authority Annual Report, 2001). As of mid June 2001 the AFU had taken action in 81 cases involving R 225 million. Of these, corruption cases totalled 15 (19% of total) involving an amount of R 18 million (8% of total). See table below.

TABLE 10: CASES AND OUTCOMES OF THE ASSET AND FORFEITURE UNIT

	Cases	Orders in Force	Success Rate	Value of Asset	Amount to State
Seizure initiated	64	57	89.1%	R 218.9 m	R 85.4 m
Forfeiture initiated	38			R 29.6 m	R 20. 2 m
Forfeiture granted	18	18	100%	R 7.4 m	R 0. 7 m
Cases completed	3			R 1.2 m	R 0. 2 m

Source: National Prosecuting Authority Report, 2001

Challenges facing the Asset and Forfeiture

Although there has been a working and co-operative relationship between the Asset and Forfeiture Unit the South African Police Services, the lines have not been always clear because of expertise constraints, particularly in financial investigation where the police often do not have the capacity to deal with a case which is perceived as high priority (Camerer, 2001: 89-92).

6. SPECIAL INVESTIGATING UNIT (SIU)

The mandate of the Special Investigating commonly known as the Heath Special Investigating Unit is contained in the Act 74 of 1996. The Unit carries out investigations

as referred to it by the President via publication of a proclamation in the Government Gazette. The President may refer matters to the Special Investigating Unit for investigation only on the following grounds:

- i. Serious maladministration in connection with the affairs of any State institution;
- ii. Improper or unlawful conduct by employees of any State institution;
- iii. Unlawful appropriation or expenditure of public money or property;
- iv. Unlawful, irregular or unapproved acquisitive act, transaction, measure or practice having a bearing upon State property;
- v. Intentional or negligent loss of public money or damage to public property;
- vi. Corruption in connection with the affairs of any State institution; or
- vii. Unlawful or improper conduct by any person, which has caused or may cause serious harm to the interests of the public or any category thereof (Special Investigating Units and Special Tribunals Act No 74 of 1996).

Resources and Capacity of the Special Investigating Unit

Allocations to the budget of the Special Investigating Unit are made by the State Expenditure via the Department of Justice and some Departments make a contribution pertaining to the investigations by the Unit into their affairs. The operating budget of the Unit has been R 9 million in 1997/98, R 16 million 1998/99 and 1999/2000 and R 17 million in 2000/01 (Special Investigating Unit Annual Report, 1999/2000).

The Unit has a staff of 82 members: 23 administrative support, a librarian, personal assistant, a legal team of 7 members, 2 financial officers, a finance manager, a human resource manager, a system analyst, a network technician, 36 investigators and 8 managers (Special Investigating Unit Annual Report, 1999/2000). During 1999/2000 the Unit saved, recovered, or protected the loss of State asset and State money to the value of R 1, 3 billion during the financial year ending March 1999.

Challenges facing the Special Investigating Unit

Although the resources of the Unit have increased since its inception, human resources have declined in recent months because of the uncertainty surrounding the Unit. Bad case management and delays in bona fide proclamations have hampered the effectiveness of the Unit (Camerer, 2001: 99-101). The Unit is also limited by some overlap with other agencies such as the Public Protector (with regard to maladministration) and the Asset Forfeiture Unit (in respect of civil recovery of assets).

7. THE NATIONAL INTELLIGENCE AGENCY (NIA)

The NIA which is made up of all the intelligence services, is mandated under certain conditions in the Constitution to pro-actively, professional and impartially manage and provide the South African government with, domestic intelligence and counter intelligence in order to enhance national security and defend the Constitution, the interest of the State and the well-being of the people of South Africa (National Intelligence Act No 39 of 1994).

The NIA is also tasked with the collection and investigation of corruption in the Public Sector, liaison occurs continuously on an operation level with the Special Investigating Unit, the South African Police Services, Directorate of Public Prosecutions and the Public Protector. The NIA also has an important operational role to play in the National Inter-Departmental Structure on Border Control (NIDS), which broadly seeks to improve security at border posts, sports and airports.

Resources and Capacity of the National Intelligence Agency

The success of the NIA's line-functional responsibilities, extensive expertise in their investigation capacity contributes to the thoroughness and success of conclusive evidence, which is its major advantage. In the event of conclusive evidence of theft of

government money, resources or corruption, such cases are handed over to the South African Police Services (Camerer, 2001: 111).

8. THE SOUTH AFRICAN REVENUE SERVICES (SARS)

The South African Revenue Services was established under the South African Revenue Services Act 34 of 1997. National legislation gives the SARS the mandate to perform the following tasks:

- i. Collect all revenues that are due;
- ii. Ensure maximum compliance with the legislation; and
- iii. To provide a customs service that will maximise revenue collection, and to protect the South African borders (SARS Act 34 of 1997).

The SARS has a further mandate of assisting in combating corruption, especially tax evasion in South Africa. A key feature of investigating corruption in the SARS has been that prompted from the investigations of tax and customs evasions (SARS Annual Report, 2000/01).

Resources and Capacity of the SARS

Between 2000 and June 2001, the SARS had 107 cases of corruption on court role. Twenty-seven of these cases were convicted, and a substantial amount of R 2 225 139, 90 was recovered, imposed on fines or claimed (SARS Annual Report, 2000/01). Besides promoting higher levels of compliance in industries such as electronics, clothing, textile, footwear and motor industry, the SARS also identified methods of corruption and resulted in various cases now being investigated by the SARS Anti-Corruption Unit. The SARS is generally regarded as a high professional organisation with high technological resources and highly skilled forensic investigators.

9. OFFICE OF THE PUBLIC PROTECTOR (PP)

The enabling legislation of the Office of the Public Protector is found in sections 181, 182, 193 and 194 of Chapter 9 of the Constitution of the Republic of South Africa Act No 108 of 1996. Public Protector, appointed in terms of the Public Protector Act (1994) and the South African Constitution Act (1993), is empowered to investigate:

- (a) Maladministration involving the affairs of the state at any level;
- (b) The abuse or unjustifiable exercise of power, improper conduct, or undue delay by a person performing a public function;
- (c) An improper or dishonest act, omission, or corruption with respect to public money;
- (d) Improper or unlawful enrichment, or receipt of any improper advantage by a person as a result of an act or omission in the public administration or in connection with the affairs of government; and
- (e) The maladministration in the broader sense rather than the investigation of crime.

The Constitution of the Republic of South Africa, section 181 (2) provides that Office of the Public Protector is independent and subject only to the Constitution. The Constitution further prescribes that the Public Protector must be impartial and must exercise his/her powers and perform his/her functions without fear, favour and prejudice. Section 181 of the Constitution also prohibits any person or organ of state to interfere with the functioning of the Public Protector.

Resources and Capacity of the Office of the Public Protector

The budget of the Public Protector has steadily increased since its inception or establishment in 1995. It has improved from R1 630 000 in 1995/96, R4 168 000 in 1996/7, R6 827 000 in 1997/8, R 7 438 000 in 1998/9, R 15 399 000 in 1999/2000, and R23 969 000 in 2000/01 (Public Protector, 2000). For the 2001/02 financial year the Public Protector has received an operational budget of R29 million. It has a staff of 114 employees across South Africa.

The Office currently handles on average 954 complaints per month in all the offices. The total number of complaints handled by the Public Protector's Office from 1995 totals to 48 017 cases. See table below for table.

TABLE 11: NUMBER OF CASES RECEIVED FOR INVESTIGATION BETWEEN 1 APRIL AND 1 JUNE 2001

Total Cases	National: Pretoria	Regional: N/West	Regional: E/Cape	Total
Carried Forward	4957	7429	1412	13 798
Cases Received	869	819	112	1800
Cases Finalised	1120	150	60	1330
Carries Forward	4703	8098	1464	14256

Source: Parliament Justice Committee, 5 June 2001 Parliament Monitoring Group Proceedings

Challenges facing the Office of the Public Protector (PP)

The Office of the Public Protector is currently facing a backlog of about 6 000 cases. The Office is also reportedly in dire need of personnel and other resources to address the backlog of cases (Parliament Justice Committee Minutes, 5 June 2001). Although the budget of the Office has increased since inception, there is a strong shortage between the requested and approved budget. In 2001/02 the Office made a request for a budget of R 50 000 and it received R29 million, a shortfall of R 20 million. The establishment of other institutions in the country with objectives of fighting corruption has also hindered the role of the Public Protector, especially in investigating corruption cases.

10. PUBLIC SERVICE COMMISSION (PSC)

The Public Service Commission is a constitutionally mandated body responsible for investigating, monitoring and evaluating the organisation and practice of the South African Public Service. The Public Service Commission also derives its mandate from section 195 and 196 of the Constitution of the Republic of South Africa. Section 195 sets

out the values and principles governing public administration that must be promoted by the Commission. The section provides that "Public Administration must be governed by the democratic values and principles enshrined in the Constitution, including the following:

- i. A high standard of professional ethics must be promoted and maintained;
- ii. Efficient, economic and effective use of resources must be promoted and maintained;
- iii. Public Administration must be development oriented;
- iv. Services must be provided impartially, fairly, equitably and without bias;
- v. People's needs must be responded to, and the public must be encouraged to participate in policy-making;
- vi. Public Administration must be accountable;
- vii. Transparency must be enforced by providing the public with timely, accessibly and accurate information;
- viii. Good human-resource management and development practices, to maximise human potential, must be cultivated; and
- ix. Public administration must be broadly representative of the South African people, with employment and management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation".

Resources and Capacity of the Public Service Commission

The Public Service Commission has a budget of R 27 million almost equal to that of the 2000/01 budget of the Public Protector. The Public Service Commission has improved the number of corruption cases by more than 50% since 1996.

Challenges facing the Public Service Commission

The Public Service Commission has a high shortage of staff at management and production level. Many administrative and control systems in the public service are in serious need of thorough upgrading. Many different agencies in the public sector have some responsibility for fighting corruption however, there is ongoing need to clarify roles and responsibilities. The risk management, monitoring and evaluation of the role of the Commission need to be strengthened with the hiring of people with specialised skills in this area (Public Service Commission, 1999/2000).

11. THE INDEPENDENT COMPLAINTS DIRECTORATE (ICD)

The Independent Complaints Directorate (ICD) was established from the 1 of April 1997 as a result of a provision in Section 222 of the Interim Constitution (Section 93 in the Final Constitution) which provides that there will be independent civilian mechanism for police oversight. The establishment of the ICD was formalised in Section 50 subsection 1 of Chapter 10 of the Police Act of No 68 of 1995.

The ICD is legally obliged to investigate in an impartial manner, any deaths that occur either in police custody or as a result of police action. The ICD also has discretion to investigate any or all alleged misconduct or criminal offences committed by any members of the South African Police Service (ICD Annual Report, 1999/2000).

Resources and Capability

The ICD has a working budget of R27 million. According to the medium term expenditure framework, the ICD is allocated R 25 098 000 in 2000/01, R 25 972 000 in 2001/02, and R27 135 000 in 2002/03 (ICD Annual Report, 1999/2000). According to the 1999/2000 of the ICD annual report 1200 cases are actively being investigated and 350 live dockets have been taken from the South African Police Services for full investigation. In the 1998/1999 period the ICD received 2874 complaints, 4 380 in

1999/2000 and 5212 in 2000/01 (ICD Website: www.icd.gov.za). This shows a significant rise in the work of the ICD by 52%.

In the 2000/01 the ICD was investigating 62 (out of 764) cases of corruption or cases that are categorically classified by the ICD as serious criminal offences. During this period the ICD was able to finalise 3 283 cases (www.icd.gov.za).

Challenges that are facing the ICD

Although the ICD does not regard itself as an anti-corruption agency (www.icd.gov.za) it has played a meaningful role in minimising, investigating and reporting police corruption in South Africa. The work and functions of the ICD overlap with that of the South African Police Service: Anti-Corruption Unit. The ICD has a lack of key strategic resources like forensic experts and investigators (ICD Annual Report 1999/2000). The ICD also has a number of vacant posts that it still has to fill, especially at management level.

12. THE OFFICE OF THE AUDITOR-GENERAL

The Office of the Auditor-General was established in terms of Section 188 of the Constitution of the Republic of South Africa, Act No 108 1996. The Office was established to audit and report on the accounts, financial statements and financial management of:

- i. all national and provincial state departments and administration;
- ii. all municipalities; and
- iii. any other institution or accounting entity required by national or provincial legislation to be audited by the Auditor-General.

The Office of the Auditor-General performs the following five various parts of audit:

- i. **Regular auditing** - checking that the financial statements of government institutions are fair representation of the financial position of the audit body.
- ii. **Performance auditing** - checking that resources of the government are purchased economically, used properly and that effective management systems and controls are in place (this provision gives the Office the right to investigate maladministration, abuse, waste and mismanagement of government resources)
- iii. **Computer Auditing** - identifying the strengths and areas of potential misuse of computer systems for data entry and financial transactions.
- iv. **Environmental audit** - supporting food environment protection and management practices through an audit approach to sustainable resource development.
- v. **Forensic Audit** - to facilitate the prevention, detection and investigation of economic crime in government institutions (Annual Report of the Auditor-General 1999/2000).

Resources and Capacity of the Office of the Auditor General

The Office of the Auditor-General is financially independent insofar as audit income and has supplementary finance in the form of Parliament appropriation. During 1999/2000 the Office received R 6, 3 million from the Department of State Expenditure. There are currently about 3000 people working for the Office of the Auditor-General across South Africa.

The Office of the Auditor-General has played a major role in investigating, reporting and minimising corruption, mismanagement, waste and abuse in government institution in South Africa. The success of the Office of the Auditor-General was also ascertained in a survey conducted by the Institute for Security Studies on "*Corruption: Causes and Controls*" in 2000. The Survey found that 84.5% of the respondents found the Heath Special Investigating Unit as the most effective anti-corruption agency in South Africa with the Office of the Auditor General as the second most effective organisation in curbing corruption in South Africa. The Office of the Auditor General achieved 74.0%, while the Office of the Public Protector achieved 61.6%, Special Investigating

Directorate on Corruption 47% and the Public Service Commission achieved 33.7%. See appendix G for other statistics.

The Office of the Auditor-General has also played a significant role in devising strategies and mechanisms of financial control in the government. The former Auditor-General, Peter Wronsley played a significant role in providing and shedding a way in defining and understanding corruption in the South African Public Service. Providing a contextualised definition of corruption, Peter Wronsley (1994: 9) defined corruption as:

"The abuse by the incumbent of a public office or position of his or her statutory or regulatory authority or discretionary power, whether by omission or commission, so as to improperly benefit himself and herself", (Hope and Chikulo, 1999: 218-219).

It is such contributions that played a significant role in shaping the control mechanisms of corruption in the Country. In a speech to parliament the former Auditor-General, Henry Kluever appealed and advised Parliament to take serious punitive measures to public officials who engages in corruption (Mail and Guardian, 9 May 1998).

OTHER REMEDIES FOR CORRUPTION THROUGH CIVIL LAW

The civil law has been the most common remedy for corruption in South Africa. The most fundamental remedy has been the prosecution of the *corrupter* and or the *corruptee*. A number of cases are used by the criminal law for references in prosecution. For example:

(a) *S v Davids* 1998 (2) SACR 313 (c): an accused prisoner warden was convicted of corruption in terms of s 1(1) (b) of the Corruption Act of 1992 for agreeing to accept a bribe from a prisoner in return for assisting his escape. The warden was sentenced for four years imprisonment.

(b) In a more recent matter of *S v Mogotsi* 1999 (1) SACR 604 (W) a traffic officer accepted R100 from a motorist for cancelling a traffic summons and was suspended for five years.

The Department of justice has also established various statutory provisions for financial recovery of money lost in corruption related cases. This include the following provisions:

(a) Search and Seizure

As far as search and seizure is concerned this aspect is generally provided for in South African law in the following legislation, among others:

- (a) Section 19 – 37 of the Criminal Procedure Act, Act 51 of 1977
- (b) South African Police Service Act, Act 68 of 1995
- (c) South African Police Service Amendment Act, Act 83 of 1998
- (d) Interception and Monitoring Prohibition Act, Act 127 of 1992
- (e) Control of Access to Public Premises and Vehicles Act, Act 53 of 1985
- (f) Special Investigating Units and Special Tribunals Act, Act 74 of 1996
- (g) National Prosecution Authority Act, Act 32 of 1998
- (h) Prevention of Organised Crime Act, Act 121 of 1998

(b) Forfeiture, Disposal and Compensation

Section 30 – 36 and 37 (5) of the Criminal Procedural Act make provision for forfeiture and disposal of objects seized by the South African Police Service with the authorisation of the court. In accordance with section 297 of the Criminal Procedure Act, a court presiding in a criminal matter may, after conviction of an accused, pass a sentence of imprisonment and or a fine, or imprisonment and suspend the sentence on condition of an accused compensate the injured party. This Act is set to recover goods, funds and resources gained in corrupt practices, which includes in the public service, private sector and on individual basis.

(c) The Prevention of Organised Crime

The most prominent legislation in South Africa aimed at combating organised crime, which includes corruption, is the Prevention of Organised Crime Act 121 of 1998 that came into operation on 21 January 1999. This Act is also set to prevent the widespread of political corruption in South Africa by ensuring that assets and property of people who are allegedly involved in corruption are seized and capture by the state. This also includes the control of their movement in or outside the country by repossessing their passports or any other travelling documents.

(d) Confiscation

In terms of Section 18 (1) of the Criminal Procedure Act, a court may, after conviction of an accused and upon application of the prosecutor, enquire into any benefit derived by the accused from the state. If the court finds that the accused did indeed benefit, it may order that the accused pay the State for the amount lost. Section 75 of the Act renders non-compliance to the Act a separate offence also punishable by law.

(e) Restraining orders

The provision for restraining orders is made primarily as way to secure and support the confiscation of properties of accused people or people on corruption. Section 25 and 26 of the Prevention of Organised Crime Act enables a High Court to make a restraint order, prohibiting any person from dealing with the property specified in the order.

(f) Realisation of Property

Section 30 and 32 of the Act provide for the powers of a *curator bonis* to realise any realisable property. Section 31 provides for the application of the money obtained from the realisation on the relevant property.

(g) Recovery and Property

Section 38 – 47 of the Act provides for the preservation of property order, which prohibits any person subject to such conditions from dealing in any manner with any of the preserved property. This includes immovable (land and building) and movable (persons, goods and resources).

(h) Forfeiture of property

Section 48 – 57 of the Act provides for that if a preservation order is in force, the National Director of Public Prosecution may apply to a High Court for an order forfeiting to the State all or any of the property that is subject to the preservation of a property order.

POLITICAL CORRUPTION AND THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA

The *Constitution of the Republic of South Africa, 1996* (Act 108 of 1996) makes a number of crucial provisions in dealing, curbing or controlling political corruption in the public service. These provisions, measures and institutions that are provided in the Constitution of the Republic of South Africa also seek to supervise even the activities of Parliament and the political or governmental executive institutions, as well as the administrative executive institutions at all levels of government. Section 195 of Act 108 of 1996 provides for basic values and principles governing the South African public service. The Constitution of the Republic of South Africa provides that Public

Administration must be governed by the democratic values and principles. Section 195 (1) of the Constitution makes the following provisions for the South African public service:

- (a) A high standard of professional ethics must be promoted and maintained;
- (b) Efficient, economic and effective use of government resources and must be promoted;
- (c) Public administration must be development-oriented;
- (d) Services must be provided impartially, fairly, equitably and without bias;
- (e) People's needs must be responded to;
- (f) Public administration must be accountable;
- (g) Transparency must be fostered by providing the public service with timely, accessible and accurate information;
- (h) Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.

This Act is crucial in guiding the government's quest for a corruption free government. Public officials should be encouraged and bound to preserve a high standard of professionalism or professional ethics. They should also be held accountable for their individual or collective efforts in corruption. This Act is in line with Section 33 (1) of the *Constitution of the Republic of South Africa*, which provides that "everyone (every citizen of the country) has the right to administrative action that is lawful, reasonable and procedural fair. Public officials, therefore, need to realise that by engaging in corruption, they also violate the constitutionally enshrined rights of the public, the right to fair and just administration. They need to realise that by engaging in corrupt practices they undermine the most solemn and supreme law of the country, our Constitution.

Chapter 13 (section 213 to 230) of Act 108 of 1996 also proclaims principles that will apply to financial affairs at all levels of government. For example, subsection 215 (1) provides that "National, provincial and municipal budgets and budgetary processes must

promote transparency, accountability and the effective financial management of the economy, debt and the public sector".

PROCUREMENT PROCESS AND THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA

Political corruption is widespread, both in the award of contracts and during their implementation. It is very much alive and pervasive in the awarding of public tenders in South Africa. One of the recent controversies in the awarding of government contracts is the forty-three billion arms deal by the government. A number of key officials in the government were reportedly received cars and huge discount as graft for the awarding of the government's 43 billion arms deal. The Mpumalanga Rural Housing Project is also centered on controversies around the awarding of one of the Mpumalanga Province's biggest development project to an entity which was established a month before the awarding of the contract.

Political corruption in South Africa hampers the economic and social development of the country, primarily because usually contracts are awarded to companies with limited capacity to effectively render the requirements of the contract. This also discourages other companies, especially developing and new companies from competing for government projects. It also brings the integrity and credibility of the government and its policies into questions.

The following occurrences are some of the common practices that need to be curbed in the awarding of public tenders:

- (a) Up-front payment for a contract/tender;
- (b) Leaking of tender information;
- (c) "Dummy" entities in the tender process;
- (d) Falsified, manipulated or tailored tendering motivations;
- (e) Undisclosed crucial and decisive information
- (f) Payments or awards to players in the tendering process.

There are other unethical and corrupt actions and practices that are uncovered in everyday life in the awarding of contracts. These include the following:

- (a) Accepting gifts for expediting matters;
- (b) Accepting gifts for favors;
- (c) Accepting compensations for information;
- (d) Accepting information for process false claims;
- (e) Accepting payment (in which form) to ignore questions and other unconsidered but crucial undisclosed information;
- (f) Accepting payment for hampering any further investigation on a company.

The *Constitutional of the Republic of South Africa* makes provisions to serve as a guiding framework to public officials on a fair and competitive procurement process. Section 187 of the Constitution provides that procurement of goods and services for any level of government shall be regulated by an Act of Parliament and provincial laws, which shall make provision for the appointment of independent and impartial tender boards to deal with such procurements. According to the Constitution the tendering system referred to in subsection (1) of Section 187 shall be fair, public and competitive, and tender boards shall on request give reasons for their decisions to interested parties. The Act also provides that no organ of state and no member of any organ of state or any other person shall improperly interfere with the decisions and operations of the tender boards.

Subsection 217 of Act 108 of 1996 also provides that:

- (1) When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system that is fair, equitable, transparent, competitive and cost-effective.
- (2) Subsection (1) does not prevent the organs of state or institutions referred to in that subsection from implementing a procurement policy providing for -

- (a) categories of preference in the allocation of contracts; and
 - (b) the protection or advancement of persons, or categories of persons disadvantaged by unfair discrimination.
- (3) National legislation must prescribe a framework within which the policy referred in subsection (2) may be implemented.

Corruption in the government's procurement can be limited and controlled by making the process more transparent and fair. In order to increase to increase efficiency, probity and economy in public procurement, governments need to adopt standards bidding documents, established processes for public bid opening, set objective criteria for bid evaluation and institute a system for the review of awards (Commonwealth Secretariat, 2000: 10). Governments need to device serious punitive measures for companies that are involved in corruption. Companies that are found guilty of corruption, bribe, extortion or any form of malpractice with government tenders need to be blacklisted to encourage others from engaging to such ill practices.

POLITICAL CORRUPTION AND THE PUBLIC FINANCE MANAGEMENT ACT 1 OF 1999

The recently adopted new Public Finance Management Act 1 of 1999 seeks to extenuate the institutions, mechanisms, measures and legislation set to curb political corruption in South Africa. The Act makes new provision for new finance and budgetary systems that will minimise and control any irregularity in government funds. This Act requires national legislation to establish, *inter alia*, a national treasure, to introduce generally recognised accounting practices, to introduce uniform treasury norms and standards to ensure accountability and transparency in government funds. "It adopts an approach to financial management which focuses on outputs and responsibilities to public officials rather than the rule driven approach of the old Exchequer Acts", (Auditor-General's Report, 1999: 18).

Chapter 10 of the Act deals, especially section 81-91) which deals with financial misconduct by government officials makes public officials who fail to comply with the following sections liable for their actions:

- (a) Section 38 (1) which provides that an accounting officer for a department, trading entity, or constitutional institution – must ensure effective, efficient and transparent systems of financial risk management and internal control.
- (b) Sections 39 (1) (b) which provides that accounting officers have a duty to make sure that effective and appropriate steps are taken to prevent unauthorised expenditure.

Section 83 (2) provides that if the accounting officer is a board or other body consisting of members, every member is individually and severally liable for any financial misconduct of the accounting authority. This Act tries to promote individual official responsibility in making sure that government funds are properly and efficiently used by government agency by making each individual member of the agency liable for any financial misconduct of any agent member. Section 83 (3) of the Act makes financial misconduct a ground for dismissal or suspension of a member or person charged with financial misconduct in the government. It is pretty obvious that the Act tries not only to provide a financial guide, but it also try to ensure a change in the financial management systems of the country. The Act also tries to provide remedies for political corruption by making it possible for people charged with political corruption to be immediately dismissed.

Section 85 of the Act also seek to extenuate the role and powers of the Auditor-General and the National Treasury to investigate or set an enquiry on financial misconduct and any information required thereafter like the people involved, steps taken to such an individual and the whole procedure thereafter.

THE PUBLIC SERVICE ACT AND POLITICAL CORRUPTION

South Africa, arguably, has some of the rigorous legislation or legislative framework in the world for ensuring that public servants act in transparent and accountable manner. The Public Service Act is a crucial element of that framework. It sets out the responsibilities of executing authorities and heads of departments, categories of misconduct, inefficiency, and appropriate disciplinary procedures. The Act also sets out the terms of reference of the Public Service Commission. It is also extended by a set of Public Service Regulations and Code of Conduct, which govern all aspects of the conduct of public officials.

According to Section 5 of the Public Service Act, 1994, as amended by the Public Service Laws Amendment Act, 1997, an executive authority/ has a responsibility for the organizational structure of a department as well as for the recruitment, appointment, performance management, promotion, transfer and discharge of officers in that department. This section gives head of departments or executive officials of government institutions in South Africa full responsibility for all affairs under their departments or institution. Section 18 of the Public Service Act states that an executive authority should initiate an investigation and/ or lay charges of misconduct if he or she an official in his/her department is incapable of carrying out his/her duties efficiently or has committed misconduct like corruption. The Act also makes the following provisions:

According to Section 20 of the Act an official is guilty of misconduct if he or she performs any act, which is to the prejudice of the efficiency of any department. According to Section 18 of the Act if either the head of the department or a Public Service Commission inspector believes that an official in his or her department is unfit for his or her duties or is incapable of carrying them out, the Head of Department can convene an inquiry into such allegations. If found guilty at this inquiry the official can be discharged from the public service.

According to Section 19 of the Act, if either the national Minister or provincial MEC

(ministerial Executive Committee) of a department has reasonable grounds to believe that a Head of Department is unfit for his or her duties or incapable of carrying them out efficiently they may also call on the President or provincial Premier to convene an inquiry. If found guilty the Head of Department can be discharged from the public service. These provisions by the Public Service Act serve to show that there are ample grounds for charging officials and/ or senior officials involved in corruption in the public service. The Act also makes it a duty of senior officials, MEC's, Premiers, and the Public Service Commission to make sure that they completely repeal or uproot corruption in their departments. One crucial variation to note is that corruption in the public service is an act, which can be remedied in a number of provisions and legislation. So it is the duty of the government, especially senior officials, the Public Service Commission, statutory and non- statutory monitoring groups to make sure that they use these provisions in curbing corruption in the Public Service in South Africa.

THE CODE OF CONDUCT FOR THE PUBLIC SERVICE AND POLITICAL CORRUPTION

Codes of ethics are becoming more acceptable prescriptive guidelines for the conduct of professional workers in the public sector (Cloete, 1998: 114). A recent development in the South African public administration is the *Code of Ethics for Councilors* prescribed by the *Local Government Transitional Act, 1993* (Act 209 of 1993), and published as Schedule 7. This Act mainly set to give effect to section 180 on the Constitution of the Republic of South Africa, Act 200 of 1993, which provides that "*an enforceable code of conduct for members and officials of local governments shall be provided for by law*".

Government Notice R.825 of 10 June 1997 (published in the Government Gazette: Regulation Gazette 5947) is a *Code of Conduct for the Public Service*. This code is aimed at giving practical effect to the relevant constitutional or legislative provisions relating to the public service in South Africa. It is also aimed at providing a direction for good conduct to public officials. C. 1 of Chapter 2 of the Code of Conduct for the Public Service states that an employee of the government or public official:

- (a) is faithful to the Republic and honors the Constitution and abides thereby in the execution of her or his daily tasks;
- (b) puts the public interest first in the execution of his or her duties;
- (c) loyally executes the policies of the Government of the day in the performance of her or his official duties as contained in all statutory and other prescriptions;
- (d) strives to be familiar with and abides by all statutory and other instructions applicable to her or his conduct and duties; and
- (e) co-operates with public institutions established under legislation and Constitution in promoting the public interest.

These provisions seek to extenuate the Constitutional or legislative provisions to a more humanistic approach in dealing with ethical issues like corruption in South African public service. The Code of Conduct also seeks to promote integrity in public positions, especially in dealing with public resources and promoting the public interest. C.4 of the Code of Conduct also states that "public officials should execute their duties in a professional and competent manner". This section also states that public officials will rescue themselves from any action or decision-making process that which may result in improper personal gain. C.4.8 states that "public officials should be honest and accountable in dealing with public funds and should be effective and efficient in the use of public resources". C.4. 10 makes public officials responsible for withholding information on fraud, corruption, nepotism, maladministration and any other act which constitutes an offence, or which is prejudicial to the public interest.

POLITICAL CORRUPTION AND ACCESS TO INFORMATION ACT

The Access to Information Act deals with government information and sources. By giving effect to the constitutional right to access to government information, the bill aims at facilitating the participation of civil society in policy and law making. It is also aimed at making sure that that the government or government institutions in the country are accountable to the people of South Africa. The Act also tries to facilitate the efficient delivery of services from a traditionally unresponsive bureaucracy to an efficient,

effective and responsive public service. It tries to impact on the efficiency and effectiveness of all levels of government: nationally, provincially and on local government. The Act also seeks to:

- (a) Prevent the government from misusing information it holds about individuals, allowing individuals to change incorrect information held by them.
- (b) Protect officials who blow the whistle on any form of corruption, abuse or serious maladministration of government resources.
- (c) Disclose the abuse of power or government resources by government officials.

Although this Act has shown a considerable room for holding the government accountable, at least in principle, for abuse, maladministration and corruption a number of cases of corruption are still withheld by the government or government officials, especially at provincial level. As stated in the limitations of this study, any study that involves corruption in the government is met with cynicism and hostility. A number of public officials in the public service are not prepared to disclose their colleagues that are still abusing government resources, their powers and misuse government funds for their personal interests.

Chapter One of the Act provides that despite any other legislation, whether that legislation came into effect before or after the commencement of this section, any person must, on request, but subject to this Act, be given access to any record of a governmental body. This means that people have the right to even historical information held by the State.

The Act also ensures intergovernmental co-operation in seeking to provide access to any request to information. It provides that if a request for access to a record is made to the information officer of a governmental body and

- (a) the record is not in the possession or under the control of that body but is in the possession of another governmental body; or

- (b) the subject-matter of the record is more closely connected with the functions of another governmental body than those of the governmental body of the information officer to whom the request is made; or
- (c) the record contains commercial information contemplated in section 39(2) in which any other governmental body has a greater commercial interest,
- (d) the information officer to whom the request is made must as soon as reasonably possible, but in any event, within 14 days after the request is received
- (e) transfer the request to the information officer of the other governmental body or, if there is in the case of paragraph (c) more than one other governmental body having a commercial interest, the other governmental body with the greatest commercial interest; and
- (f) if the governmental body of the information officer to whom the request is made is in possession of the record and considers it helpful to do so to enable the information officer of the other governmental body to deal with the request, send the record or a copy of the record to that information officer.

The Act tries to ensure co-operation by government or state agencies by stating a time period that will be deemed as a refusal of request. The Act provides that if an information officer fails to give his or her decision on a request for access within the period contemplated in section 20(1) of the Act or a request for correction within the period contemplated in section 53(5), the information officer is deemed to have refused the request in question.

POLITICAL CORRUPTION AND THE PROTECTED DISCLOSURES ACT

Employees are often in the best position to detect criminal activities, maladministration,

abuse or any irregular conduct in the workplace. However, without legislative protection, employees may not be willing to jeopardize their jobs or working relationships by disclosing or "blowing the whistle" on their employers or colleagues. The Protected Disclosures Act of 2000, otherwise known as the Whistleblowers Act, enables employees to disclose information relating to corruption and other improper conduct in either the private or public sector without fear of reprisal. This Act is also aimed at:

- (a) Creating a culture in which employees disclose information of crime and other irregular conduct in the workplace in a responsible manner by providing comprehensive statutory guidelines for the disclosure of such information and protection against any reprisals as a result of such disclosures;
- (b) Promoting the eradication of crime and other irregular conduct in organs of state and private bodies, and
- (c) Providing for procedures in terms of which an employee can, in a responsible manner, disclose information regarding improprieties by his or her employer.

An employee will only be protected by the Act if he/she has made a "protected disclosure" to either a legal advisor, employer, a member of cabinet or of the Executive Council of a province, the Public Protector, the Auditor General or a person or body prescribed for the purposes of the Act. An employee will not be protected where he/she commits an offence by making the disclosure, or if the employee's intention is to use the act so as to conceal his or her own involvement in criminal activities. An important principle of the Whistleblowers Act is that the disclosure must be made in good faith and the employee making the disclosure must have a reasonable belief that the information disclosed and any information contained in it is correct.

In terms of the Act, no employee may be subjected to any occupational detriment by his or her employer on account, or partly on account of having made a protected disclosure. "Occupational detriment" is widely defined by the Act to include disciplinary action, dismissal, suspension, demotion, harassment, intimidation, being transferred against his or her will. This also includes being refused transfer or promotion, or in any way being

adversely affected in respect of his or her job. The remedies available to the whistleblowers are set out in the act. This includes the fact that:

- (a) An employee may approach any court or tribunal with jurisdiction or may pursue any other process allowed to protect him or her from suffering occupational detriment;
- (b) An employee who has made a protected disclosure and who reasonably believes that he or she may be adversely affected as a result of having made that disclosure, may also request to be transferred from the post or position occupied by him or her at the time of the disclosure to another post or position under the employer; and
- (c) The terms of employment with the employee may not without the written consent of the employee, be less favorable than those applicable to him or her immediately before his or her transfer.

The aim of legislation such as the Protected disclosures Act will not only curb political corruption in the country, it will create an environment of patriotism where everyone is committed to protect the interests of the greater majority of South Africans. It will also instill a sense of pride and commitment to all South Africans, both in the private and public sector. The Whistleblowers Act or Protected Disclosure Act will also make those who are in management echelons to realize their responsibility and accountability to all South Africans by giving each and every individual the right and responsibility to curb corruption in both the private and public sector. We can now blow the whistle on any act of corruption, be it in the government or private sector, without fear for reprisals.

ETHICS AND POLITICAL CORRUPTION

The growing concerns about political corruption in many government institutions across the globe seem to prove Thomas Madison's predisposition as a norm than just a mere personal opinion. Many writers, academics, practitioners and the governments themselves have been preoccupied more with understanding the phenomenon of political corruption and seeking short term solutions than long term remedies. This has often resulted in many of them seeking refuge in an increased set of rules, regulations and laws to discard and

obscure official's use and misuse of government resources and funds. Surely "regulations can discourage the most egregious defaults and does provide at least a modicum of protection" (Fleishman et al, 1981: 53) but we need to expand our paradigms of thinking in curbing corruption across the globe. We need to look beyond the existing and everyday increasing sets of rules and regulations purported to minimise the ever-growing cases of political corruption in governments' institutions.

No one will deny the fact that political corruption is still undermining many government institutions across the globe regardless of the increasing number of rules, regulations and laws passed in everyday life of many governments. It is all too clear that much depends upon government officials' personal conception of the right and wrong decision action. Ultimately to curb the growing cases of political corruption and even other forms of irregularity in many government institutions, individual public officials must be truthful in the execution of their public duties (Fleishman et al, 1981: 53).

Therefore the failure of many government institutions in curbing political corruption have clearly denoted an urgent need to build governments on ethical frameworks based on idealised conception of what public officials should do to revitalise or tilt ethical bankruptcy in many government officials (Fleishman et al, 1981: 93). Public officials need to have ethics or integrity, that is, "a genuine wholehearted disposition to do the right and just thing in all circumstances in the execution of their duties" (Fleishman et al, 1981: 53).

Ethics or integrity creates a conscious awareness or determination of whether there is a conflict between public officials' private interests and their public duty. The roots of integrity or ethics will rest on building fundamental assumptions about the level of rationality and responsibility that is expected from individual public officials. This will evolve around taking into effect possible models of instilling individual commitment or integrity in governments. By, first, promoting more effective self-scrutiny by government officials and thus to encourage a deeper awareness and a higher degree of consciousness

about problems of corruption. Secondly, it will help to identify ways in which moral leadership, in the face of corruption can be exercised (Fleishman et al, 1981: 55).

FIGURE 6: MANAGEMENT ETHICS, APPROACHES AND PRINCIPLES IN THE PUBLIC SERVICE



(Adapted from Van der Walt and Du Toit, 1997. "Managing for Excellence in the Public Sector". Pp 41)

Van der Walt and Du Toit (1997: 41 and Cloete, 1994: 64 – 86) explain the rules of conduct in the public service as principles of public administration, which originate from three broad categories, namely, guidelines from the body politic, guidelines from community values and prescribed guidelines. The Behaviour of public officials needs to be informed and guided governments' vision and mission, community values and beliefs, government regulations and procedures. In his paper on "Assessing Officials", Peter G. Brown (1979) argues that the moral or conduct of public officials can be understood in at least three areas. First, in matters concerning their personal conduct for an example personal behaviour, respect, dignity, and integrity. This will include how a particular public servant conducts him or herself in the public and the respect that he or she commands for him- or herself. Secondly, the conduct of government officials can be understood from the criteria they use in designing and evaluating public policies. This criterion includes the way in which public officials objectively and impartially distribute government goods and resources to the public. A Public official with personal integrity and moral conduct will certainly not be involved in favouritism, nepotism, and corruption. Finally the conduct of public servants can be understood from the analytical

framework they employ in addressing policy problems. In this manner public servants will look at the efficiency, effectiveness and financial viability of a programme than just distributing wastefully government funds and resources (Brown, 1979: 2).

In a paper on “*Enhancing Accountability and Ethics in the public Sector*”, Jeremy Pope¹⁷, (1999: 109 – 110), provides five guiding principle for developing an ethical environment in the public service. He argues that:

- (a) The ethical environment must be owned, policed, adapted, and updated throughout the public service
- (b) The purpose and intentions of legislation, codes of conduct, and rules of behaviour should apply equally throughout the public service.
- (c) The ethical environment must be reviewed periodically, with new means of accountability being introduced or existing means upgraded and reinforced.
- (d) Sustaining the ethical environment requires political commitment and leadership to inspire confidence and trust, but politicians should not be the only ones to carry this responsibility, the whole bureaucracy or government and society should encourage it but not engaging with corrupt officials and should condone and report them.
- (e) The ethical environment should be determined at the macro level, from which micro-level changes must be developed.

The general focus of Pope (1999: 15) is to make sure that ethics become the main source of solution in reducing political corruption in many government institutions. These principles also seek to promote and enhance a strong ethical environment that is monitored, promoted and effective in dealing with the growing cases of political corruption in many government institutions across the globe.

Fleishman et al (1981: 115) has also developed a framework model to guide and assist public officials in the execution of their duties: *the dialectical accountability model*. The dialectical accountability model has five ethical principles that are neither by no means

¹⁷ Jeremy Pope is currently serving as an Executive Director of the Transparency International Organisation

specific principles nor a road map of moral behaviour for public officials. They only seek to create and embed a deeper and strong consciousness about corruption and other ethical issues in governments. These include public orientation, reflective choice, veracity, procedural respect, and restraining on means.

- **Public Orientation**

The dialectical accountability model argues that the first and most general principle in the government is that the exercise of discretion should, on balance, service the public interest. This principle argues that the exercise of public power or position by government officials should serve the public interest not just mere officials' individual interest. Public interest should be paramount in the exercise of any government duty by public office holders. "The common good of the public must prevail in ethical ambiguities in the use of public position by public officials" (Fleishman et al 1981: 115).

- **Reflective Choice**

The reflective choice principle argues that the common barrier to the responsible use of discretion is the tendency by government officials to follow "bounded rationality" – with little or no reflection on the organisational routines, goals and missions of the government. Fleishman et al (1981: 115) argues that "rather than approaching each new decision as a fresh exercise in conscious choice public officials are inclined to follow the established procedures for generating decision-alternatives, evaluating those alternatives and choosing". This, according to the dialectical accountability model, has commonly led to government officials taking decisions with no public or governmental value, therefore, prompting their own interests and values. The reflective choice principle first argues that public officials should be clear about their governmental value and responsibilities and embrace them in their daily routine. Secondly, the reflective choice implies that public officials should be clear about the values to be promoted, rather than embracing them without examination; be reasonable sure that the information used is adequate and reliable, and be consciously persuaded that assertions linking facts to values soundly

based. This according to Fleishman et al (1981: 117) will require that public officials be explicitly aware of the underpinnings of the problems addressed by public policy and their processes. Therefore the reflective principle also advocates that public officials should have a proper understanding and knowledge of the policy process so as to minimise loops for unethical practices, irregularities and corruption in government institutions.

- **Veracity**

The third principle of the dialectical accountability model is veracity or truthfulness in the execution of public responsibility. Applied to the public service veracity has three meanings. The first is the obligation of public officials to avoid any form of lying in the execution of their duty. The second obligation is to be truthful in presenting any form of government information to the public or to other superiors in the government. The difference between the two variables is that the former deny the outright lying by any government official and the latter involves biased or distorted representation of truth, which involves covering the truth or irregularities by presenting falsified or altered statements or any form of report.

Finally veracity has the obligation to gather and present true and rightful information relevant to the execution or implementation of public policy or program. This principle has to do with the politics of data gathering in tenders or contract to the government falsified to benefit a particular bidder or public official. The question of whether the Mpumalanga Housing Board made its decision to award one of the country's major rural project to the Motheo Construction Company on the basis of valid and true information about the Company was rightly objected to the Dreyer Commission, the Auditor-General and the Public Protector. This was primarily because no information about the project nor the Company (Motheo Construction Company) was ever seen by any member of the Board except its Chairperson, Mr S Moodely (Dreyer Commission Report, 1997: 15).

- **Procedural Respect**

This principle argues that established rules, laws and procedures are the single most important source of instilling accountability and responsibility to public officials. Therefore, public officials should respect and be responsible to established procedures, rules and regulations, staff codes, clearances and manual orders. Commenting on this principle, Stephen Bailey (in Fleishman et al, 1981: 121) writes:

Rules, standards, and procedures exist by and large to promote fairness, openness, and depth of analysis and accountability in the conduct of the public's business. Those who frequently by-pass or shortcut established means are thereby attacking one aspect of that most precious legacy of the past, the rule of law.

The essence of respect in this principle is not just a mindless deterrence to rules but a willingness to show consideration and understanding for the established ways of handling governments' business. As wrote Bailey Stephen that "the public servant who cannot recognise the paradoxes of procedures will be trapped by them" (Fleishman et al, 1981: 122). Public officials should therefore respect predetermined rules, laws, and procedural predetermination in pursuing their official duty. A number of requirements that were set as prerequisite or requirements for the awarding of a contract by the Department of Housing were ignored by the MHB and the technical members of the Secretariat. It is obvious in the Mpumalanga Rural Housing Project that established set of rules and procedures were ignored by key officials primarily because "they were irrelevant", (Dreyer Commission Report, 1987: 16).

- **Restraining on means**

Finally a responsible public servant will execute restraint on the means chosen to accomplish governmental, personal, or individual officials' interests. Restraint for effective governments should be a reflection or guided by the public interest. This principle requires public officials to restrain from using means that entail unfairness or

actions that are contrary to governmental objectives and undermining citizens' trust in the government (Fleishman et al, 1981: 123-124).

The Nolan Commission (1995) after its concrete research on the growing concerns about corruption in many governments across the globe, suggested seven principles that can properly help and guide public servants in the execution of their duty:

- (a) **Selflessness** - the commission argues that holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families, or their friends.
- (b) **Integrity** - holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.
- (c) **Objectivity** - in carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- (d) **Accountability** - holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- (e) **Openness** - holders of public office should be as open as possible about all the decisions and restrict information only when the wider public interests dearly demands.
- (f) **Honesty** - holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- (g) **Leadership** - holders of public office should promote and support professionalism in the execution of their public duty at all time and lead by example to the wider public (Brandeis, 1996: 2).

One of the key concepts in both the dialectical accountability model and the Nolan Commission principles is the promotion of character leadership or ethics in public

positions. They both show that the deterrence of corruption in many government organisations lies with the promotion and development of ethics in the public sector. The essence of respect and adherence to public rules, policies and the promotion of efficiency in government organisations lie with or is the depth of individual officials' character and integrity in the execution of their public duties (Fleshman et al, 1981: 122).

In his book on "*The Responsible Administrator*", Terry Copper (1990) argues that ethical conduct to public servants can not be effectively shaped and maintained in isolation, (Cooper, 1990: 160). Cooper argues that instilling an ethical conduct to public servants is a reflective process, which is guided by the following, four prerogatives: individual attitudes, organizational structure, organizational culture, and societal expectations

- **Individual Attributes**

Cooper (1990: 160) argues that an ethical conduct or ethical environment depends on the public's service's skills in making ethical decisions, their virtues, understanding as character traits or inner moral qualities, and their professional values. He believes that for a public servant to develop ethical decision-making skills they need to have at least inner moral qualities or professional values. If they do not, then, they need to be taught through the use of theories, models and case study analysis. Case studies would then help them develop or cultivate an internalized professional ethic that will help them make ethical decisions when dealing with government funds, goods and resources. Cooper (1990: 160 – 162) argues that it is after looking at related cases of, say political corruption or unethical issues that public officials will develop a sense of what abstract ethical principles or general provisions in a code of ethics mean in terms of their own professional conduct. See figure 7 below.

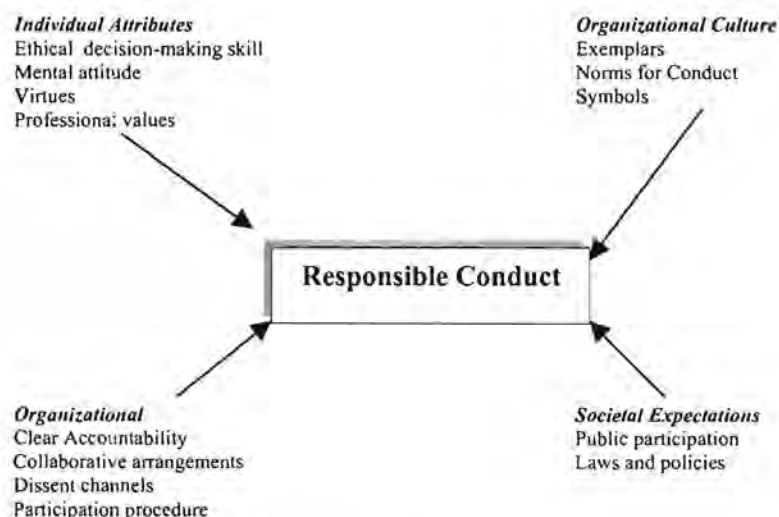
- **Organizational Structure**

Cooper (1990: 172) argues that another important way or important set of factors in maintaining ethical conduct in government institutions is associated with the structure the

government itself. Cooper argues that creating an ethical environment in the public service should go beyond the focus on individual public servants to addressing the nature of many government institutions. Some government institutions discourage trust and encourage mistrust to public officials. Often public officials function under too much vague legislation, lack of control, lack of monitoring systems, unquestioned hierarchy, and lack of any instrument of rationality.

Cooper (1990: 172 –173) also argues that government institutions can contribute to ethical conduct and responsible administration to public servants in several ways. First, ethical conduct can be enhanced through clear and specification of lines of responsibility and accountability. There should be no obfuscating chains of “coordinators” who have no price authority and undefined powers. Secondly, ethical conduct can be enhanced at every level through the constitutional nature of the government itself. The constitution or any administrative procedures should not be handed down from some oppressive political oligarchy at the top of the government, but rather flow and well communicated with public officials to enhance the responsibility of both actors in the ethical management of government resources and funds.

FIGURE 7: COMPONENTS OF A RESPONSIBLE BEHAVIOR



(Adapted from Terry Cooper 1990. *The Responsible Administrator*. pp 162)

Finally Cooper argues that most of this ethical issues can be clearly spelled out and dealt with overtly through the constitution. Responsibility of public officials for their legislative mandate needs to be clearly defined in both the constitution and the mission of the government (Cooper, 1990: 173). The South African Constitution shows considerable improvement in this regard. Section 195 of the Constitution of South Africa makes provisions for basic values and principles governing the South African public service. Chapter 13 (section 213 to 230) of the Constitution of the Republic of South Africa also proclaims principles that apply to financial affairs of the government, at national provincial and local government level.

- **Organizational Culture**

Cooper (1990: 177) argues that the third set of factors in maintaining ethical conduct in government institutions concerns the organizational culture of government institutions. Organizational culture is the basis for a strong ethical conduct in government institutions. Designing an ethical environment should be encouraged through norms and practices that are supportive of ethical conduct. Code of ethics, departmental manuals and appropriate ethics laws should be reshaped as to foster an ethical environment. If public officials make it a culture to pursue public interests than their own private gains, then we would have a good ethical environment in government institutions and that will entail less political corruption.

- **Societal Expectations**

The final set of components has to do with what a society expects of its public servants. Cooper (1990: 179) argues that societal participation in government programs, policies and the general management of their affairs will reduce political corruption in many government institutions. But, however, such opportunities for participation must be carefully planned and systematically structured, using a variety of techniques to elicit the views of the public primarily because unstructured communication between the public and public officials may results in a confused mandate and give public officials the

impression that the public does not know what it wants.

Cooper (1990: 180) argues that citizen participation is a crucial factor in curbing unethical issues or corruption in government institutions. It maintains, first, an awareness of the public in the mind of public officials. This notion takes into fact the notion of increasing states or bureaucracies and the growing reliance on expert knowledge in the public service that may cause public officials to lose touch with the mandate and interests of the public (Cooper, 1990: 180). Secondly, citizen participation in government programs, policies and in the general management of their affairs can assist in clarifying and specifying the intent of laws and policies. This notion takes into fact the argument that too many government laws and legislation are written generally and do not permit the inclusion of specific implementation of citizen promises and alternatives. Thus translating broad legal mandates into specific programs, regulations, and standards has become largely a matter of administrative discretion, which can create loops for mismanagement, corruption, or promotion of officials' personal interests. Such vices can only be curbed through the involvement of the public in government programs, and activities (Cooper, 1990: 180 –181).

ACCOUNTABILITY AND RESPONSIBILITY

Accountability as defined by J. J. N Cloete (1999: 143) means that public officials in any institution or structure of government should account or give explanation for the manner in which they perform every specific function for which they have been made responsible. Responsibility on the other hand relates to making certain individuals or government institutions functionary liable for the performance of public duties. Lawton and Rose (1993: 16-17) define accountability as the enforcement of responsibility. Public accountability is necessary for the control and management of corrupt practices in government institutions. Accountability also serves as an effective instrument in the prevention of improper dealings by public officials. Thus public accountability is necessary for the control and management of corrupt practices in government institutions or insuring a responsible and corruption free public service.

The respective meanings of the two words, accountability and responsibility, for example, are clearly stated in the South African Constitution. Section 92 provides that public officials are:

- (a) **Accountability** - Accountable collectively and individually to Parliament for the exercise of their power and the performance of their functions.
- (b) **Responsibility** - Provide Parliament with full and regular reports concerning matters under their control.

Thus, accountability as mentioned in the Constitution of the Republic of South Africa seeks to ensure openness, effectiveness and responsibility in the use of public funds, goods and resources. The Constitution also makes the following provisions for accountability in the public service:

- (a) Section 92 provides that ministers and the Deputy President will be accountable individually and collectively to parliament;
- (b) Section 96 provides that members of the Cabinet and deputy ministers must act in accordance with a code of ethics prescribed by national legislation;

Terry Cooper (1990: 226-227) developed a model for responsible administration in the public service, which tries to combine the components of responsible conduct and individual autonomy to public officials (see figure 8 below). This model acknowledges the fact that incongruence between administrative obligations or *de facto* or *de jure* organisational goals and a public official's interest will always occur. Therefore the model proposes not only a simple balancing of the two, but rather it identifies elements that together can provide corrective forces if incongruence occurs. Cooper (1990: 228) argues that maintaining and enhancing knowledge of the professional field (public management) makes public administrators responsible for having a competent basis from which to perceive a range of alternative courses of action when confronting an ethical issue. However this needs to be complemented by a more comprehensive understanding

of the social, economic and political systems of government. Cooper (1990) argues that such a broader knowledge will discourage any narrowly professional perspective and over-commitment to public officials. It will encourage public officials to carrying out public administration as an integral part of the larger political, economic and social context. It will also confront them with an awareness of the obligation that they have to the broader society and the consequences of their administrative actions (Cooper, 1990: 229).

Cooper (1990: 229) argues that a broader knowledge to public officials, broader than just a specific job task is a way of moving beyond a routine task of carrying out tasks and following rules and procedures. It will necessitate the need for public officials to compliment their tasks with their personal values, beliefs, convictions and life priorities (Cooper, 1990: 229). Cooper (1990: 229) argues that this will make public officials to set aside their “private projects” and interests, and “engage seriously and actively for the general good of the public, their country and government”.

Cooper (1990: 230) also argues that public officials should acknowledge their accountability to the hierarchical structure of the organisation and to the public. However he provides that being accountable to superiors should not mean simply following orders that are illegitimate. Public officials are also obliged to question, resist, and challenge orders that are inconsistent with the mission of the government, and establish professional codes. Public officials should also exercise their best technical knowledge coupled with their individual ethics when making decisions in the government (Cooper, 1990: 230-232).

Supplementing Cooper’s model of a responsible administrator, Lawton and Rose (1993: 17-24) identify five dimensions of accountability:

(a) **Political accountability** – which is expected from and enforced by the citizens on legislatures, ministers and other political executive office-bearers.

- (b) *Managerial or administrative accountability* – which is expected from top officials responsible for effecting in the institutions entrusted to them of efficiency and effectiveness with regard to budgetary control and the monitoring of performance.
- (c) *Accountability to the law* – which relates to the fulfilment of legal requirements and judicial reviews of the decisions of public institutions and functions.
- (d) *Clientele accountability* – which relates to the responsibility the government and public officials have to the public (their clients).
- (e) *Professional accountability* – which is expected from professionals such as bureaucrats, state attorneys, policy analysts, state accountants, or any specialists employed to public positions.

OPENNESS AND ACCOUNTABILITY

Monitoring issues of corruption or whatever action of government and ensuring a responsible and accountable government requires openness of the government on information on its actions. Thus for an effective control of government actions citizens should have access to government information on all its decisions, programs and policies. Also citizens should be able to lodge complaints and be protected against any reprisals by those in public positions. Rose-Acherman (1999: 24) provides three means of ensuring openness in governments. First, she argues that government institutions should provide information on its actions, programs and policies to its recipients (the citizens). Secondly, the government should inform its citizens on what it is doing and its intentions by publishing informational bulletins, and most importantly consolidate budget and auditors reports. Finally, as is the case in many developed countries of the West, financial data should be audited and published by independent authorities such as Government Accounting Office in the United States of America or the Auditing Commission in Great Britain, Public Accounts Committee in South Africa. Such committees should also be monitored from political biases as was the case in Kenya where the Public Account's Committee was reported to be politically biased and unable to operate a strong counterweight to the executive (Kibwana, Wanjala and Okech-Owuti, 1996: 76, 157 – 158). Governments can also use Public Accounts Committees (PAC) to uncover any

violation of law and abuse of power. These institutions can be supported by strong constitutional provisions like the Promotion of Access to Information Act in the Constitution of the Republic of South Africa, *Transparency Acts* (Open Democracy Bill in South Africa) and Protected Disclosures as in the United State of America so as to provide citizens with valid and reliable information “without demonstrating a need to know” (Cloete, 1999: 164).

THE ROLE OF AN INDEPENDENT AND FREE MEDIA IN CURBING AND CONTROLLING POLITICAL CORRUPTION

Even a government that keeps good records and makes them available to the public may operate with impunity if no one bothers to analyse the information or if analysts are afraid to raise their voices and question government actions, and decisions (Cloete, 1999: 165). The media is taken as a key and crucial guardian of change and the abuse of power in government institutions. However, the independence of the media is a crucial element in divulging sensible and biased information to the public by the government. Normally press freedom will be insufficient if the media is associated with political parties. For an example in Italy corruption became increasingly big news only as Italian Press became increasingly independent from the political system (Giglioli, 1996: 386). While in Singapore top politicians have been active in suing both the media and their political opponents (New York Times, 1996: November 23). In Jordan the government passed the 1998 Law prohibiting the publication of news items “judged” insulting to the King or the royal family (The Economist, 1998 September 12). Thus the independence of the media is crucial in divulging corruption and in informing citizens about government actions and can also be used as a communication tool between the government and the public (Cloete, 1999: 167).

The independence of the media also needs laws in place that will enable the public to have maximum legislatively secured freedom access to public information. Lee Tucker, Fellow of Human Rights Watch/Fund for Free Expression commenting on the need for the independence of the media as a watchdog of government institutions argued that:

"For the media to do its job effectively, it must be free from the influences, control, and retribution of government. It is important that free and open speech must never be sacrificed for the sake of the honour or reputation of a public official or state symbol".¹⁸

The media can play a very meaningful role as a "watchdog" of government and private sector corruption. In South Africa the media plays a crucial role in exposing and reporting political corruption in many government institutions and provinces of the country. A survey on "*Corruption and Good Governance: A Media Profile*" done by Transparency South Africa (T-SA) in 1998 found that corruption, fraud and mismanagement accounted to 70% of media reports in South Africa. Although a similar study conducted in December 2000 found that a major change of 70% reporting of Good Governance as compared to 16% cases of corruption (Transparency-South Africa, 2000: 7). Out of the 1 358 articles used in the research four newspapers, Citizen, Star, Business Day and Sowetan, accounted for almost 60% of the articles collected. Citizens had the highest number of articles (280) containing either allegations or uncovered corruption. See table below.

TABLE 12: CORRUPTION REPORTING IN THE MEDIA IN SOUTH AFRICA

Source	Number of Articles
Citizen	280
Star	207
Business Day	177
Sowetan	136
City Press	69
Sunday Times	49
Cape Times	47
Weekly Mail and Guardian	40
Daily News	39
Sunday Independent	36
Eastern Cape Herald	34
Beeld	26
Star Business Report	22
Pretoria News	21

¹⁸ A paper presented by Lee Tucker to the conference on "Political Institutions, Processes and Corruption in Transition States in East-Central Europe and in the Former Soviet Union", organised by The Institute for Constitutional and Legislative Policy, Budapest, January 28 – 29, 1994. Also available via <http://transparency.de>

Natal Mercury	20
Natal Witness	20
Burger	18
Cape Argus	18
Other	18
Financial Mail	15
Sunday World	13
Rapport	11
Volksblad	11
Sunday Tribute	9
Finance Week	6
Herald	5
Post	4
Saturday Star	4
Business Week	1
North Eastern Tribute	1
Tribute	1
Total	1358

(Source: Transparency-South Africa, 2000: 6)

Of all the cases of corruption reported in the media or articles, fraud achieved the highest score of 46%, mismanagement 18% and nepotism 3%. See diagram below. Fifty-five percent (55%) of corruption in the media between 1997 and 1998 was about public sector corruption, 24% private sector corruption and 11% civil society corruption (Transparency-South Africa, 2000: 8).

TABLE 13: TYPES OF CORRUPTION REPORTED IN SOUTH AFRICA'S NEWSPAPERS BETWEEN JANUARY 1997 TO JUNE 1999

TYPES OF CORRUPTION	COUNT	PERCENTAGE
Fraud	552	46%
Corruption in General	463	38%
Mismanagement	216	18%
Theft	186	15%
Bribery	99	8%
Nepotism	32	3%

Extortion	12	1%
Money Laundering	11	1%

Source: Transparency-South Africa, December 2000. "Corruption and Good Governance: A Media Profile".

The majority of the above cases were later found by the government to witness considerable needs for investigation and some were found to be accurate allegations and later proven. The reason for this success has been attributed to the constitutional safeguard that the South African media has. For example Chapter 2 Section (1) of the Constitution of the Republic of South Africa provides that everyone has a right to freedom of freedom of expression, which includes:

- (a) Freedom of the press and other media;
- (b) Freedom to receive or impart information or idea;
- (c) Freedom of artistic creativity; and
- (d) Academic freedom and freedom of scientific research.

This provision also has another Constitutional secondment, Section 32 (1), which guarantees the right of access to information, which includes:

- (a) Any information held by the state; and
- (b) Any information that is held by another person and that is required for the exercise or protection of any rights.

This Constitutional safeguard is crucial in securing the role of the media as a watchdog on political corruption in the country. It will also secure the role of the media in creating more accountable, transparent and efficient governments as well as put political corruption in the agenda of institutional reform (Dr. Peter Eigen, 8 July 1999).¹⁹ Commenting on the role of *"the media as a corruption watchdog"*, Judge Heath said:

¹⁹ A paper presented by Dr. Peter Eigen on "The Media and the Fight against corruption", in the CELAP Conference, San Juan, Puerto Roco. Also available via <http://www.transparency.de>

"Last week I read an article in the Sunday Times about the Director General of the Department of Home Affairs who was allegedly running a basketball club in his office. This week, in the same paper, I read an expose about the issuing of false roadworthy certificates for vehicles that had been written off. The prime examples of how the media can play watchdog over corruption".

The African Eye News played a major role in exposing and alerting the public and the state on the "improper" awarding of the Mpumalanga Rural Housing Project to the Motheo Constructions Company an entity that was created a month before it was awarded the contract. It was after concerns and reports from the African Eye News and the media in general that the government decided to initiate an investigation on the alleged irregularities on the awarding of the Project. The media also played a major role in exposing the controversial government arms deal. Investigative journalism from the media was able to disclose the improper acquisition of "gifts" or graft by key officials in the awarding of the now R 60 billion arms deal. Key officials are the moment under investigation for having received expensive cars as "gifts" from the awarding contractor.

In mid-1997, Transparency-South Africa commissioned the Community Agency for Social Enquiry (CASE) to produce a media profile on corruption reporting in South Africa. Although the profile was not a barometer or measure of corruption in South Africa as such, since what gets reported in newspapers often amounts to corruption allegations that do not necessarily become corruption cases. It however, gave a broader picture of the role of the media in reporting and uncovering corruption, especially in the public service of the country. When the 24 different newspaper sources were analysed, it was found that slightly more than half of all media coverage on corruption targets the public sector as compared to 16% which focuses on the private sector. Additionally, 15% of the coverage involves corruption affecting the public and private sectors combined, while only 4% of the corruption newspaper coverage targets civil society (Belvedere, 1998: 1). The most reported corruption allegations were fraud, mismanagement, and a combination of the two. In broad terms, mismanagement tended to be concentrated in the public sector and at a provincial level, while fraud affected mostly the private sector, civil society, and cases involving a combination of private and public sectors, all at national level.

Out of the newspapers reviewed only the Star and Sunday Times reported fewer corruption cases linked to the public sector than the overall average, and more cases implicating the private sector. In contrast, the Citizen, Pretoria News and Volksblad were substantially above average in linking their reported corruption cases to the public sector. None of the corruption cases reported by Volksblad were linked to the private sector or civil society. This clearly signifies the major role, which the media plays in monitoring corruption in both the private and public sector institutions in South Africa.

CORRUPTION AND AVENUES FOR GROUP AND INDIVIDUAL COMPLAINTS

The media cannot effectively fight and expose corruption alone. It also needs citizen, lobby groups, Non-Governmental Organisations, Community-Based Organisations, and individual participation or the commitment of the society at large. This, thus, can only be done effectively if there are more avenues of complaints where individual citizens can complain easily and without fear or reprisals. Often petty corruption like bribery is easily dictatable at low levels by the individuals involved (often as victims) thus such individuals can expose such ill practices if they have avenues of complaints and know that they will be protected.

South Africa has a number of anti-corruption institutions responsible for investigating any malfeasance that includes corruption, bribery, fraud or maladministration in any government institution. Some of these institutions are even working on private sector corruption and crimes that are classified as high economic crimes and organised crimes. Some of these institutions include the following:

- (a) Special Investigating Unit commonly known as the "Heath Special Investigating Unit (HSIU)
- (b) Economic Crime Combating and Research Institute of South Africa (ECCRISA)
- (c) Public Protector
- (d) South African Police Services: Commercial Branch
- (e) South African Police Services: Anticorruption Unit

- (f) Investigating Directorate: Serious Economic Offences (IDSEO)
- (g) Auditor-General
- (h) South African Police Services' Detective Service

These institutions have played a major role in devising anti-corruption strategies in the Country. They have also played a major role in researching other countries' anti-corruption best practice and mechanisms. The Heath Special Investigating Unit for an example uncovered approximately R 7 billion in cases reported in all nine Provinces of the country, excluding National Corruption in 1998 (HSIU Annual Report, 1998: 13). The South African Police Services Commercial Branch Unit investigated about 15 345 cases of corruption involving R 993638 between January and March 1998, (SAPS Commercial Crime Unit Report, 1998: 3). However the availability of these institutions is limited by a number of constraints which include lack of resources, centralisation, and inadequate authority.

- **Lack of resources.**

A number of the anticorruption institutions in South Africa function under limited resources, which includes lack of financial resources, and not enough well trained and professional staff. The government needs to invest in such institutions financially and otherwise so as to maximise their capacities in dealing with corruption in the country. However such an investment must not be an instrument or mechanism of influencing the effectiveness and most importantly the power or "independence" of anti-corruption institutions in exposing corruption in the government.

These institutions also need *legislative support* to expand their capacities dealing with major and minor corruption cases. For an example in his report to Parliament, Judge Heath reported that a major obstacle to the success of his Unit is budgetary constraints, which hinders the success of the Unit in dealing with all reported cases of corruption across the country. He also reported that in certain instances investigators could not

investigate other cases that involved travelling, due to lack of funds, (Heath Special Investigating Unit Report, 1998: 14–15).

- **Over-centralisation**

A further obstacle in the success of anticorruption institutions in South Africa is the number of technical legal issues and subsequently the bureaucracy that anticorruption institutions need to address before litigation. For an example Section 2 of the Special Tribunal Act, Act 74 of 1996 gives the President the power to the decision of initiating an investigation. It is such provisions that need to be reconsidered because they not only affects the independence of anticorruption organisations and the direct access of these institutions to corruption cases in the government but it also renders the credibility of such institutions questionable. The Heath Special Investigating Unit reported that out of 807 cases of corruption forwarded to the Department of Justice for proclamation by the President between October 1997 and April 1998 only about 40% (337) were proclaimed for investigation (Heath Special Investigating Unit Report, 1998: 15). The Act also provides that for an investigation to be taken the official, the department concerned and the State in general should be informed before an investigation is taken. This gives ample time for the accused to cover up their tricks and to destroy evidence.

Over centralisation is pathological to the success and co-ordination of anti-corruption institutions in South Africa. It creates a complicated organisational setting that subsequently leads to a delay of decisions about corruption cases. Over-centralisation also distorts decision making by undervaluing or ignoring experience and judgement at the line level (Anechiarico and Jacobs, 1996:176).

- **Inadequate Authority**

Over centralisation of the daily functioning of anticorruption agencies is the main cause of inadequate authority or seriously affects the scope of anti-corruption agencies. This primarily because as authority is transferred to the central government, the operating

agencies lose the authority to carry out their responsibilities. For a effective anticorruption environment, there is a strong and urgent need for the government to make sure that anticorruption institutions are independent from the State and have their own authority to probe and investigate any act of misconduct and abuse in the public service. South Africa has witnessed a greater interference of the State in the probing of corruption cases in the public service. In some instances, like the arms deal, the government was responsible for appointing investigating institutions and judges, which subject the credibility of such institutions to criticisms and cynicism from non governmental organisation, community based organisations and other national and international anticorruption organisations.

INSTITUTIONAL REFORM AND POLITICAL CORRUPTION

Only a free and independent media with a good access to government information and strong agencies against corruption are not likely to sufficiently change or control such a behaviour in autocratic and authoritarian governments (Cloete, 1999: 168). Such institution must be driven by a strong political will or the desire of the government to change. Information may be available, scandals uncovered by investigative journalists and associations will prove useless if the government, politicians, and most importantly the political system or the government is not committed to change (Transparency International Source Book, 1998). In old systems of administration or governance such reform must include a change in administrative actions and a change in the bureaucracy itself. This reform should also encompasses and encourage the following:

- (a) A radical simplification of regulations, not only to diminish the need to resort to bribery and political corruption, but to ease the transaction of business of all sorts and facilitate access to public services generally;
- (b) An open, genuinely competitive, and transparent system of public procurement;
- (c) An adequate salary structure that will eliminate the need for civil servants to supplement their income through bribery or any corrupt activity;

- (d) Strict limitation and regular supervision of the discretionary authority of public officials;
- (e) Effective and well-understood laws and procedures preventing improper association between officials and the public, covering all policy loop for corrupt incentives;
- (f) Institutional and financial viable investigating agencies; and
- (g) Published and publicly available guidelines for channels of reporting corrupt officials, and actions taken thereafter (Stapenhurst and Kpundeh, 1999: 105-114).

TABLE 14: REFORM MEASURES FOR BETTER ADMINISTRATIVE PRACTICES, WHICH CAN HELP, MINIMISE THE OPPORTUNITIES FOR CORRUPT PRACTICES IN GOVERNMENT INSTITUTIONS.

- Improving work methods and procedures to reduce delays.
- Increasing the effectiveness of supervision by enabling superior officials to check and control the work of their staff, with the aim of promoting accountability.
- Carrying out surprise checks on the work of officials
- Formulating and disseminating clearly defined ethical guidelines and rules of conduct and instituting in-service training for civil servants at all levels.
- Developing internal financial management systems that ensure adequate and effective controls over the use of government resources.
- Providing channels for junior officials to complain about their superiors' corrupt activities without fear.
- Rewarding achievement, recognising good behaviour, and acclaiming role models.
- Reviewing anti-corruption measures every three to five years, with the aim of introducing further improvements.

(Adapted from Stapenhurst and Kpundeh, 1999: 1333, "Curbing Corruption: Towards a Model for Building National Integrity".)

GOOD GOVERNANCE AND POLITICAL CORRUPTION

Reforming old bureaucracies should also include the change in the capacity, effectiveness and efficiency of the government in the management of public affairs. The concept of good governance as used by Marilee Grindle (1997: 6) is intended to encompass a variety of strategies that have to do with increasing the efficiency, effectiveness, and responsiveness of government performance. Efficiency in governance relates to the time

and resources required to produce a given outcome, whilst effectiveness relates to the appropriateness of efforts undertaken by government institutions and agencies (public officials) to the production of desired outcome. Responsiveness on the other hand relates to the link between the communication of needs and the capacity of the government to address them effectively (Grindle, 1997: 6).

Some development experts like Martha Chen (1985) have used the concept of good governance as squalling the task of strengthening the capacity of the government in the execution of its policies or more primarily as the reflection of effective internal governmental operations (Grindle, 1997: 6). Therefore, government personnel, activities, structure, and institutions are taken as a focal point in the contribution towards good governance (Grindle, 1997: 7).

The International Monetary Fund (IMF) developed two typological requirements for good governance. First, improving the efficiency and transparent management of public resources and, secondly, developing an accountable and transparent system of government in dealing with public goods and resources (IMF, 1997: 3). Goran Hyden and Michael Bratton (1992: 5) mention four variables of good and effective governance: trust, reciprocity, accountability and authority. Trust in governance, they argued, refers to a normative consensus on the limits of action and responsibility in the use of government goods and resources. Reciprocity refers to the generic acceptance of existing rules, regulations and procedures of governments by a political community. Accountability refers to the effectiveness to which governors pursue their political agenda within the mandate of the public and the ability of the public to control them to the mandate. While authority refers to the ability of the government to effectively solve societal problems and carry decisions (Hyden and Bratton, 1992: 5).

THE ROLE OF A STRONG POLITICAL CULTURE AND LEADERSHIP IN CURBING AND CONTROLLING POLITICAL CORRUPTION

Realistically a reform in government will not occur unless powerful political groups and individuals inside and outside the government support it. A reform or a change in old

administrative practices can only occur if charismatic leaders and opposition parties push them through. This can only take place in a country with a strong political culture. Political corruption is usually accessibly high in authoritarian countries where only few individuals in the government have access to political power or decisions. For an example in Zaire Mabutu Seseko is reportedly to have taken more that a third of the country's Gross Domestic Products to his personal funds. Thus reform also needs a more conscious and strong leadership which is committed to changing the existing leadership in its country (Cloete, 1999: 199). A country like South Africa needs more political parties to act as guardians of change and all sorts of inefficiencies and malfunctions in the government. We need political parties that are highly committed in good governance in the country. South Africa needs strong opposition parties that will monitor all government activities and offer advice if necessary especially on good governance. Political parties can also play a major important role in researching other international anti-corruption best practices.

ENHANCING THE ROLE OF CIVIL SOCIETY

Civil society consists of numerous associations organised around specific interests with the following characteristics in common: independence, voluntary, autonomous, communally organised, able to form links with other interest groups and do not in any way seek to set themselves up as an alternative authority to the state". Civil society therefore is a term which is used to describe a vast terrain of community-based organisations (CBO's), non-governmental organisations (NGO's), human rights bodies, religious organisations and other public interest advocacy groups (Gyimah-Boadi, 1999: 1).

As the main stakeholders on national governance and ultimate victims of political corruption civil society should play a meaningful role in the fight against corruption. Civil society and the media in particular as well as moral and religious leaders can also play a meaningful role in creating awareness on moral issues and deepen appreciation of deleterious consequences in people involved in corruption (Gyimah-Boadi, 1999: 2).

Civil society is also crucial in fostering public support and ownership of anti-corruption strategies and institutions and thereby enhancing their legitimacy, effectiveness and sustainability of such institutions and structures.

Civil society, especially the media and community based anticorruption bodies like religious bodies can liaise with and provide official anti-corruption agencies with evidence and relevant information on corruption cases. It can also help monitor compliance with regulations, conducts and sanctions imposed against corrupt officials. Civil society, especially the media is regarded in many countries as the most important body in ensuring transparency, commitment and accountability in government institutions. In certain instances it can be used to testify against corrupt officials and support groups, persons, and societies who suffer harassment by corrupt officials (Gyimah-Boadi, 1999: 2-4). It is therefore crucial for the government consider creating and enhancing such community structures for an example structures like National and Regional Community Anti-Corruption Agencies to deal with community concerns and reports of corruption. This can help to deal with the abuse of government assets and resources by government officials in many communities. In a paper delivered in a "*Training Workshop on Combating Fraud and Corruption in South Africa*", she argues that the role of civil society in curbing corruption can be divided into four broad categories:

- **Promoting accountability**

Civil society can play both a creative role in promoting democracy by educating and socialising citizens into a democratic modus operandi which includes for example ethics training, and secondly, by remaining critical and vigilant of the state and the abuse of power, government goods and resources. Civil society organisations can also ensure that the state remains accountable to its citizens, in this way sustaining democracy (Camerer, 1999: 3).

- **Blowing the whistle**

One of the more obvious roles which civil society organisations can play in fighting political corruption includes a critical monitoring "watchdog role" of government institutions. Civil society can play a meaningful role in promoting accountability and responsibility by simply making sure that they monitor the progress of the government and the actions and in-actions of government institutions. A greater scope on an active role of civil society in exposing political corruption in South Africa has been created by the Whistleblowers Act or the Promotion of Information Act, 2000, which gives the right and protection to any person to disclose or blow the whistle on any corruption, maladministration, nepotism or mismanagement in the government.

- **Promoting service delivery**

Civil society organisations can also play a meaningful in assisting the government in ensuring that people do get access or benefit to government programmes and services. Civil society organisations can even engage with the government in making sure that government organisations are effective and efficient in delivery their services to the public. This can subsequently mean that civil organisations can play a meaningful role in guarding and monitoring abuse of government funds and resources in community programmes. Civil society organisations can also play a meaningful role in engaging in researching and monitoring the success and effectiveness of government programmes.

- **Sharing resources in the fight against corruption**

Often civil society organisations, like the Institute of Security Studies (ISS), Transparency International South Africa (TISA), the Institute for Democracy in South Africa (IDASA) and Public Service Accountability Monitoring (PSAM) in South Africa have the capacity and resources to curb political corruption that the state does not. Such

institutions can play a meaningful role in monitoring, researching, teaching, exposing and controlling corruption in many government institutions in the country. They can also assist the government in curbing political corruption by running workshops, roundtable discussion, conferences and seminars on corruption and its control in the government. Civil society organisations like the Institute for Security Studies can and do play a major role in providing the government with an independent and dedicated research capacity to both inform and support the government's anti-corruption initiatives in South Africa (Camerer, 1999: 5). At the launch of the National Anti-Corruption Forum in Cape Town, Dr. Stiaan Van Der Merwe representing Civil Society organisations appealed to civil organisations to help the government research corruption and other related incidences of corruption in South Africa. Dr. Vav Der Merwe also argued that:

"Corruption is not only a government problem, it is also a problem that is found in non-governmental and community based organisations as well. It is therefore our task as civil society to mobilise against corrupt practices in both the private sector and public sector institutions. We need to mobilise resources to support anti-corruption strategies and assist the government with research work, monitoring and ensuring awareness on corruption issues in South Africa" (A speech delivered by Dr. Stiaan Van Der Merwe at the launch of the National Anti-Corruption Forum, 15 June 2001).

The civil society's commitment in curbing and combating corruption in South Africa was also reaffirmed by the President of the National Education Health and Allied Workers Union (NEHAWU), Mr. Vusi Ntlapho who said, "*Corruption is bad for the country, business, labour and the society as large. As labour we are committed in rooting out corruption in all sectors of South Africa*" (A speech delivered by Mr. Nhlapho at the launch of the National Anti-Corruption Forum in Cape Town).

Civil society should also be seen as an independent and creative partner in the development of effective coalitions to improve governance and combat corruption. There are basically four factors that are of significantly proportion for civil society to effectively fulfil these roles and responsibilities:

- (a) **Freedom of Association** - citizens should enjoy the right to establish organisations around particular interests in order to pursue general or specific social, economic or political objective. Such associations can often act as watchdogs of the integrity of government institutions. Such institutions can also act as key role players in advising, investigating, reporting and monitoring corruption in the government.
- (b) **Freedom of the press and the media** - transparency in any society requires information to be available freely in the public domain. A free and competent press is an essential element in curbing corruption and to the success of anti-corruption strategies and institutions.
- (c) **Research and Analysis** - the development by civil society of independent public policy research institutes and think-tanks can provide increased domestic capacity to analyse deficiencies, malpractices or any malfeasance in the management and governance of government institutions. Such institutions can assist the government on monitoring anti-corruption strategies and research new mechanisms and best practices from other countries.

FINANCIAL TRANSPARENCY AND ACCOUNTABILITY INITIATIVES

A common root for political corruption in many government institutions in South Africa and across the globe has been the manipulation of government financial records and books (Mail and Guardian, 27 August 1995). A strong fight against political corruption needs a strong system of internal and external control government accounts and records through an intensive auditing system. The auditing process should not only involve checking governments' accounts and records but that all transactions be fully identified, described adequately, accurately and properly classified in governments records. Auditing governments' institutions should also involve a strong financial control system encompassed by regulation of internal procedures and government laws. It should also involve the following:

- **Internal Auditing Practices**

Internal auditing typically involves monitoring government financial systems like accounts and expenditure records. This will help to detect falsification and manipulations in government financial statements. Secondly, auditing should also include internal control and monitoring compliance and non-compliance with applicable laws and regulation in government institutions. Financial auditing if encompassed by strong internal regulation on the use of government funds and resources will help to minimise the risks of political corruption, mismanagement and bribery.

TABLE 15: IMPROVEMENTS IN GOVERNMENT FINANCIAL MANAGEMENT SYSTEMS

BROAD AREA	SYSTEMS AND TECHNIQUES
Policy planning	1. Explicit recognition of resource realities. <ul style="list-style-type: none"> - The use of portfolio budgeting to strengthen accountability. - External legislative or constitutional safe guard to ensure financial accountability and responsibility. 2. Resource planning and utilization. <ul style="list-style-type: none"> - Improve planning of government projects and programs. - Improve the use or utilization of government resources.
Budget systems	1. Multiyear expenditure planning 2. Formulation of "core" and "noncore" budgets. 3. Scrutiny and review systems 4. Improved budget guidance mechanisms 5. Efficiency control measures
Organisation Improvements	1. Improve balance between central and spending agencies through delegation of enhanced powers and responsibilities 2. Improve fiscal reporting mechanisms/systems
Budget Implementation	1. Cash management system 2. Cost measurement 3. Improved evaluation

(Adapted from Premchand, A. 1990. Government financial Management: Issues and Case Studies)

- **Financial Statement Disclosure**

The quality and consistency of audited government accounts and statements need to be publicly available for public scrutiny. This will give the civil society, media, and community organisation to monitor the use or misuse of public funds by public officials. This will also serve as a tool to promoting transparency in government institutions.

- **Independent External Auditing**

Independent external institutions can be used to verify and validate that internal government financial control measures are effectively used. This can also include the evaluation and review of recorded accounts and financial statements to detect any malfeasance, misrecording, manipulation or falsification. After an intensive study of "Government Accounting and Financial Management In India", D. Swarup (1990) argues that government financial systems should also take into account performance budgeting (Premchand, 1990:257). According to Swarup (1990: 45) performance budgeting is a technique for presenting government operations in terms of functions, programs. Activities and projects, which seeks among other things to promote:

- (a) to present more clearly purposes and objective for which government funds are sought and to bring out the programs and accomplishments in financial and physical terms;
- (b) to help a better understanding and better review of the budget by the legislature;
- (c) to improve the formulation of the budget and to facilitate the process of decision making at all levels of government;
- (d) to enhance the accountability of the management and at the same time to provide an additional tool to management control of financial operations, and
- (e) to render performance audits more purposeful and effective (Premchand, 1990:257).

THE NEED FOR A STRONG CORPORATE GOVERNANCE CULTURE IN THE MANAGEMENT OF GOVERNMENT INSTITUTIONS

In the business world or private sector institutions, management has a critical role in the fight against bribery and corruption. It is normally the management of an organisation that will set and enforce systems of proper corporate governance. This includes a strong emphasis on efficiency and effective management in the use of organisational resources and funds. Public managers also need to commit themselves to value management or in the proper use of government funds and resources. The role of public officials should extend from that of simple government officials to government watchdogs against corruption or law enforcement officers. This should be coupled with integrity, objectivity and vocation to protect the public interest. They should also make themselves essential players in the efforts of governments and societies in reducing the increasing cases of political corruption across the globe.

INTRODUCING INNOVATIVE POLICY MEASURES IN GOVERNMENT INSTITUTIONS

Klitgaard (1991: 75) mentions four policy measures to curb corruption in government institutions. Firstly, he argues that a key success in curbing political corruption in government institutions would be the establishment of evaluative systems. This involves establishing programs, structures, and institutions to manage the performance of public officials and the government in general. Secondly, he argues that to deter political corruption, governments need to have or gather information about the cases and kinds of corruption that occurs in their institutions. The goal of this precept is not only to find out which forms of illicit behaviour are most severe but to help governments to seek remedies of curbing such behaviour. Thirdly, Klitgaard (1991: 74-75) argues that means and measures to manage or curb corruption are meaningless unless there is an established quick way to punish the convicted. He argues that if people can commit extortion and graft and get away with it “the others would not be afraid to do it as well” (Klitgaard, 1991: 78 -79). Fourthly, Klitgaard (1991) argues that one major tool in the fight against malfeasance and corruption in government institutions would be the professionalisation

of the public service in government institutions. This includes establishing professional standards, professional codes of conducts and ethics, and the recruitment of professional people in the public service (Klitgaard, 1991: 74-76).

Finally, Klitgaard (1991: 75) argues that there is a strong need for a change in attitude in the public service. Public officials need to change their attitude on political corruption. A number of corruption cases in many government clearly shows that a great majority of public servants engage in corruption primarily because they do not see any thing wrong about it or they have their won explanations of what constitutes to corruption. A major research project carried out in New South Wales, Australia, in 1994, by the state's Independent Commission Against Corruption (ICAC), sought to determine the kinds of conduct public sector employees would judge as corrupt. The survey showed that a willingness to take action would depend on a number of factors, including the relationship between taking action and how harmful, undesirable or unjustified each scenario was considered to be. Factors, which reduced the willingness to take action, included the following:

- (a) a belief that the behavior was justified in the circumstances;
- (b) the attitude that there is no point in reporting corruption as nothing useful will be done about it;
- (c) a belief that the behavior was not corrupt;
- (d) a fear of both personal and professional retaliation;
- (e) a relatively low position within the organization;
- (f) the employees' perception of their relationships with the perpetrator and the supervisor; and
- (g) concerns about insufficient evidence (ICAC, 1994: 4-5).

Therefore all the above factors show the significant role that the human variable play on corruption issues. Dealing with the conduct of public officials in curbing the corruption rampage will help many government institutions across the globe to put a strong hold on any unethical issues in governments. Anticorruption measures need to recognize that

political corruption is an ethical issue that first confronts a person's conduct or personal belief. It is such variables that governments need to target in dealing or remedying political corruption.

In his paper to the "*Second Anticorruption International Conference*" in Brazil, Miguel Schloss (1999: 2) developed an anatomic study of effective anti-corruption programs. Schloss (1999: 3) argues that it is essential to diagnose an individual setting and consider proposed solutions carefully and to work closely with allies in the government and with other partners to co-ordinate strategies and identify individual activities that complement each other. He therefore lists the following steps that might be part of an effective anticorruption program:

- **Preventative Strategies**

- (a) **Economic reform**

Schloss (1999: 3) argues that an efficient way of curbing the growing political corruption phenomenon in many government institutions across the globe is to tailor the role of the state and the design of economic policies to institutional capability of the state. Schloss (1999: 3) also argues that economic liberalization and deregulation where possible and mechanisms of moving toward a smaller, more efficient government should be instigated as a measure of urgency. This should include privatization to competitive sectors, which include privatization of government accounts and auditing. Government institutions should also take a new look at their tax and regulatory policies and try to match policies to enforcement capabilities to the extent possible.

- (b) **Administrative Reform**

Contemporary public service reformers across the globe have stressed the importance and relevance of reinventing the government as a long-term mechanism of curbing inefficiencies and malpractice in the public service. Although with little or reference on

what is to be done about corruption and the politics of scandal and reform in the public service, in their Book *"Reinventing Government"*, Osborne and Gaebler (1992 in Anechiarico and Jacobs, 1996: 186) do note in their critique of the status quo that "in making it difficult to steal the public's money, we made it virtually impossible to manage the public's money". In short, Osborne and Gaebler (1992) advocate proper mechanisms of control, monitoring and auditing in making it practically impossible for the public service to "steal" or engage in any malpractice in the government.

Schloss (1999: 3) argues that administrative reform needs proper mechanisms of control of the public service, which include:

- (a) proper "checks and balances" or control and monitoring mechanisms
- (b) Establishment of "competing bureaucracies" (either horizontally - within one level of government, or vertically - among different levels of government) to deliver similar services where possible.
- (c) assignment of responsibilities (including devolution to sub-national governments) with institutional capacity in mind.
- (d) identification and support of "pockets of excellence"

(c) Civil Service Reform

Public service reform should make sure that recruitment strategies of a government are reviewed and change to ensure a high standard of professionalism. The government should ensure a move towards a merit-based process in civil service recruitment, performance, evaluation, promotion and termination. This also needs to be accompanied with the establishment of reasonable salary levels and gradation.

(d) Budget Reform and Financial Management

Public service reform also needs to be accompanied with a review or an audit of government procurement practices. This should also include a review of government

accounting practices, disclosure and auditing standards of the public sector. There is also a strong need for a review and change in the financial management systems of the public service to make sure that there are strong mechanisms of control in the use of government funds. The adoption of the medium term expenditure framework (MTEF) by the new government in South Africa was part of the strategy of the government to transform not only the use of government funds in the public service but to ensure accountability measures in the use of state funds and resources.

(e) Reform in public service organisation (transformation of the government).

Public service reform also entails functional (re) organization of departments across all spheres of government: national, provincial and local government to improve their efficiency and effectiveness. This includes the introduction and establishment of benchmarks for performance, increasing data availability and transparency for public scrutiny and strengthening taxpayer appeal mechanisms (both internal and external to the revenue departments). This subsequently creates an environment for stringent and proper use of government funds and resources.

• **Enforcement**

(a) Procurement

Public service reform should be accompanied by a number of supporting policies like the inclusion of "no-bribery-pledge" in bidding, contract or procurement documents of the government. This should also encourage the use of alternative legal institutions (to conventional public rule of law institutions) for settlement, reporting and exposure of corruption cases.

(b) Legal and Judicial Reform

Public service reform alone cannot provide proper mechanisms of controlling corruption but also needs a change in the legal framework that deals with corruption in the public service. This should include a review of anti-corruption and conflict-of-interest

legislation to ensure adequacy, and proper steps towards heightened independence of the judiciary. This should also include the following:

- (a) Strengthening incentives and building skills of public prosecutors.
- (b) Review of administrative law (to strengthen transparency and public input to regulatory rulemaking).
- (c) Set-up of a special anti-corruption agency with the necessary powers and supportive legislation.
- (d) Disclosure of higher-level civil servants' and/or politicians income or tax returns.

- **Interfacing**

- (a) **Societal Support Action**

Proper mechanisms of corruption control need the involvement of the broader society in dealing with corruption, maladministration and abuse of government funds and resources.

This can be done through:

- (a) raising awareness and collaborative problem-identification through workshops, generating and disseminating information and data;
- (b) review of libel legislation to strengthen the watchdog role of the press;
- (c) journalist training, work shopping, protection and support;
- (d) identification and support of "local anticorruption champions" (including NGOs);
- (e) collective action by international and domestic institutions, involving political; leadership, business communities, financial institutions and NGOs in curbing corruption.

The control of corruption also needs a commitment from all sectors of society (civil society organizations, private sector organizations and government's anti-corruption agencies).

(b) Political Process

Public service reform should also be accompanied by a change in the political process of a country. A single party state is more prone to corruption than a multiparty democracy. In a number of incidences the number political parties participating or contesting for election in a country is determined by the funding formula of the government. Often poor political parties with little financial support are likely to take part or lose the elections. In countries with one strong dominant political party, other small political parties can one political party formation and voice in opposing irregularities and abuse by the public service.

(c) Self-Regulating Arrangements

Public service reform also needs strong self-regulating arrangements from the public service itself. This includes issuance of codes of conduct, establishment of control and monitoring committees. Such committees also need to have political and institutional independence from the government to avoid collaboration and biases. Such committees also need to be protected by legislation against transgression and manipulation by the government. Codes of conduct needs to be publicized and made well-known to the public service to avoid "I didn't know" excuses from the public service. This should also be accompanied by proper work shopping of the public service on corruption and maladministration issues in the public service (Schloss, 1999: 7).

Schloss's anatomy shows that political corruption occurs when economic opportunities for it prevail and political will to combat it is lacking. He also stresses the fact that in a way, political corruption is a symptom of fundamental economic and political problems. Addressing them effectively therefore requires dealing with the underlying economic, political and institutional causes. Reducing opportunities for discretion is often an important element for prevention. These typically include liberalisation policies such as reductions of trade restrictions, subsidies, price controls, directed credit, and so on, such as undertaken in a growing number of countries like China and Hong Kong.

Similarly, on the enforcement side, weak institutions often require the help of independent oversight commissions with powers to investigate, and at times prosecute and/or adjudicate, as has been instituted in Chile, Hong Kong, Singapore and Botswana. Finally, proper interface needs to be formed between civil society, the private sector and governments to help assess the issues and develop support for combating corruption, and to develop more effective ways of doing business. More than in any other field, corruption is not an area that lends itself to technocratic solutions developed by a few and executed by many; long-term and sustainable development requires a real stake of all concerned, and often needs home grown and tailor-made solutions.

More broadly, a combination of actions on prevention, enforcement and support of the local community could help in overcoming the problems. Many of the corrective actions are associated with deregulation and depolarisation of economic activities, generation of information and data for greater transparency and associated accountability, build-up of appropriate legal institutions, or set-up of parallel ones (or self-regulating bodies where this is not possible) and development of coalitions to promote coherent actions among different players in a society.

Chapter 6: Conclusion and Recommendations

CONCLUSION AND RECOMMENDATIONS

Corruption is an acid that eats away at our resources, resources that we have worked hard for, and resources to improve the lives of the great majority of poor people in South Africa.

Judge Willem Heath, 1996

Political corruption is an institutional failure and pathology that can best be addressed through reforms aimed at improving good governance and government responsibility, effectiveness, efficiency and accountability in government institutions. Therefore it is absolutely imperative that measures to control political corruption are effectively established in promoting all these elements. It is also essential to remember that political corruption can wide spread to all sectors of the country, be it in private or public institutions. Therefore measures of controlling corruption need to also look at the broader spectrum of the occurrence of corruption in South Africa. They also need to look at spreading control mechanisms in many government institutions in the country. Public accountability by both public officials and political office bearers is regarded as forming the cornerstone of a vibrant democracy. It is, therefore essential that any anti-corruption measures foster such basic principles in delineating and curbing the growing phenomenon of corruption in South Africa.

There is also a strong need in many government institutions of the country, for the establishment and enhancement of institutional reform to ensure efficiency and accountability in the use of government funds and resources. It is also essential that public officials be held answerable for their conduct of public responsibility. Government officials need to be held responsibility for their involvement in any malfeasants like corruption in the government.

Accountability alone is also not the sole solution for the growing cases of political corruption in South African and across the globe. There is a need for punishment for corrupt officials. This can be instituted in the form of removals from public positions or transfer from one section of the government to another, where there are limited resources in use. But a strong anti-corruption government corrupt officials, especially political office-bearers should be forced to resign if found guilty of committing a corruption offence. Efforts should also be made in recovering any loss that may have been incurred by the public. Other measures to control the growing cases of political corruption in South Africa should include the following:

1. An enhanced, independent and well resources Office of the Auditor-General, State Expenditure, Public Accounts and Director Generals. Effectiveness of these bodies to administer the efficient and effective use of government funds, goods and resources will need the support and a strong co-ordination of these institutions through Provincial and National governments. At National level with the Office of the Public Protector (PP), Independent Directorate Office of Serious Economic Offences (IDOSEO), Department of Finance and State Expenditure also by means of an integrated management system (IMS) against political corruption in the country. The independence of these institutions, especially the Office of the Public Protector is crucial in curbing political corruption in the country. Therefore it is important that the person who fulfils such a position is a non-partisan or political appointee to effectively and independently investigates corruption cases and root out any abuse of power in the government without favouring any political party, person or group.
2. A good and sound financial management system: A Sound financial management system comprises a key to preventing, discouraging and easily dictated cases of corruption, fraud or any mismanagement in government funds. So they comprise one of the most powerful anti-corruption devices. This includes the establishment of sound financial practices; including a timely and efficient accounting system

combined with consistent professional review by internal auditors, including the Auditor-General, and external and independent auditors.

3. Implementation of anti-corruption measures and institutions: the acid test of government's sincerity in wiping out corruption hinges not only on the formulation of anti-corruption measures and institutions. Rather, its credibility against corruption lies in the actual implementation of such measures and the effectiveness of such institutions. The prevention of corruption is far too better and a manageable thought than its cure. So the Mpumalanga government and the South African government need to ensure the effectiveness of anti-corruption measures and institutions rather than seeking miraculous options of rooting the phenomenon.
4. Developing a new sense of purpose and understanding in the public service: the elevation of rules, procedures and anti-corruption laws (like the Mpumalanga Commission of Inquiry Act of 1998), should be extenuated by a new sense of purpose and understanding in the Public service. Established rules and laws can only prove to be effective if they enjoy the support and understanding of the public service.
5. Developing a new organisational design and political system: the need for developing a new sense of purpose and understanding in public servants can not be isolated from the need to create a new organisational design. Inherited structures, institutions and cultures of the old homeland areas are still pervasive in the Mpumalanga government and still prefigured by the large amount of former homeland employees in the Province. Therefore there is probably no better way to encounter the intricate dimensions of cultural, institutional complexity, and corruption that is facing the Mpumalanga government than to design a new system of government that will bring new ethos to the public servants of the Province. This also needs to be coupled with the recruitment of well-trained

career public servants than the great number of party partisans that are working in the Province.

6. An important measure in the fight against political corruption is appropriate and well-communicated comprehensive ant-corruption legislation, which not only deals with corruption but also should also contain the necessary penalties and fines to serve as a deterrent. The Mpumalanga Rural Housing Project also shows that a great deal still needs to be done in improving internal control mechanisms on public officials' duties and responsibilities, especially in improving strict and strong control in adherence to government rules and regulations. Available rules and mechanisms of control need to be review to ascertain their effectiveness and relevance in the government. Although the government has been able to pass and transform a number of legislation in the Country, a number of rules that many government institutions in South Africa use, especially on the former homeland Provinces, are old and outdated. The Corruption Act is a good case that shows that a number of legislation in South Africa still needs to be reviewed and updated. The government needs to ascertain what is political corruption in a South African context. It also needs to determine what constitutes to a corrupt act in the public service not to base our arguments on haunches or broad understanding of the concept political corruption.

7. There is a strong need for developing common values and ethics in the public service. Practical problems of corruption, fraud, and maladministration are ethical issues and their resolving of which lies within the precepts of ethics. Ethics are concerned with the development of human behaviour according to moral norms in the execution of their public responsibilities and duties. Thus to establish a good system of government immune from corruption and fraud the government need to look beyond existing and new rules, laws and regulations. But examine the most important factor in the execution of those rules, laws and policies – the human factor or officials' conduct.

Ethics will promote more effective self-scrutiny by public officials and encourage a deeper awareness and a higher degree of consciousness about moral and ethical issues with respect to public responsibility. Ethics will also help to identify and promote ways in which moral leadership can be exercised in the face of corruption or temptation. Mere control methods like law enforcement will never pour permanent solutions to corruption. Even strong codes of conducts or staff codes appealing on the moral integrity of an individual public servant will have no value if there is no internal commitment to right and wrong by public servants. It is crucial to consider the following points for an effective ethical environment:

- (a) It must be owned, policed, adapted and updated across the public sector,
 - (b) Its purpose and intention must be applied equally and consistently across the public sector,
 - (c) It must be self-sustained and integrated, if it has potential weak points, new means of accountability must be introduced or existing means be upgraded and reinforced to counter those weaknesses.
 - (d) It must be supported by good and effective management styles, adequate financial management and control, good information systems, good staff relations and good incentives to public servants. This will also require objective and systemic recruitment and training policies, a good monitoring process of public sector value and responsibility.
8. Creating a fair tendering or procurement process that is competitive and professional. The awarding of government contracts is a crucial and significant measure that will determine the developmental needs of the country. Therefore it needs to be conducted by professional and well-informed people with expertise and professional ethics in determining the requirements of awarding a contract.

9. The establishment of corruption and fraud prevention strategies is crucial in curbing political corruption. There are several fraud and corruption prevention strategies that may be instituted. These include:

- (a) ***Fraud and Corruption Prevention Committee (FCPC)*** - a management driven committee that is linked to the public account's committee. This committee needs to be constituted by provincial and departmental representatives and be responsible for co-ordinating the government's anti-corruption strategies in all spheres of government (national, provincial and local government).
- (b) ***Fraud and Corruption Risk Assessment*** - Strategies need to be devised in closing and controlling all risk areas or loopholes in the awarding of government contracts, projects and in the general administration and management of government resources in the public service.
- (c) ***Conduct and Disciplinary Standards Committee*** - the growing number of corruption incidents in the public service clearly shows the need for investigating in curbing and controlling corruption in South Africa. There should also be a committee of parliament responsible for establishing and maintaining good conduct and disciplinary standards in the public service.
- (d) ***Fraud and corruption awareness training*** - This will form part of the above-proposed fraud and corruption prevention committee. Regularly training programmes and workshops on corruption must be instituted or organised to improve the awareness of public officials on ethical and unethical issues in the government.
- (e) ***Strengthening, national, provincial and local government control measures*** - In general it is the responsibility of director generals to examine the financial prudent of government institutions. This responsibility can also be extenuated to the proposed Conduct and Disciplinary Standards Committee. This committee should make sure that established financial systems also have accountability measures to control irregularities.
- (f) ***Investigation procedures and disclosures*** - It needs to be made known to government employees that financial irregularities will be investigated and disclosed to the public.

The government needs to pronounce its policy on "zero-tolerance" of corruption, fraud, mismanagement, and abuse and that the perpetrators will be harshly dealt with.

- (g) ***Corruption response plan*** - The final stage in developing fraud and corruption control strategies will be for each and every department to develop a corruption response plan. Such a plan should proactively focus on promoting a general culture of "zero-tolerance" for misconduct and corruption. The reactive focus of such a plan, on the other hand, will be to minimise and monitor cases of corruption and adverse effects when irregularity and corruption is committed. The plan should also address at least aspects such as the organisational framework, corruption-reporting mechanisms, the institution of an investigating committee, and well defined and articulated disciplinary mechanisms.

One final and crucial variation that needs to be made is that government officials need to be trained and informed on all established anti-corruption systems and mechanisms of the government, departments and others internationally. Public officials also need to be thought of all the variations that are involved in ethical issues like corruption. They need to be informed by the government's code of conduct. It is also absolutely imperative that public officials should be made to sign an oath of office committing themselves to effective and efficient service delivery to the public. Developing an integrated approach in the management of government will also help curbing the political corruption rampage institutions in South Africa. Thus South Africa needs an enhanced control and management system of government that is nationally and provincial integrated. This needs to be coupled by a ethical framework that is effectively policed and monitored by the existing institutions like the Heath Special Investigating Unit, Office of Serious Economic Offences, Public Protector, Scorpions, Civil society organisations, the press and External Auditors. This will mean little unless the country has an honest and independent judicial system. An independent judicial system can play an effective and important role in ensuring official accountability in the use of government resources. Such a judicial system will be able to administer proper punitive measures to corrupt officials, protect and secure whatever democratic institution is in the country: the media, political parties and ensure separation of powers in the government. We all need to

embrace the fact that political corruption undermines whatever rule of law is in place in a country. It erodes and diverts the agenda of the government, primarily because government funds end-up where they were never intended. Let us all take responsibility and join forces against corruption, be it political or commercial and any form of irregularity in the country. Lets expose it where we can, for an improved service delivery system our country.

FUTURE RESEARCH CONSIDERATIONS

Corruption in South Africa is a serious institutional pathology that needs serious policy and institutional consideration. My involvement in the study and research of the phenomenon of corruption in South Africa, especially in government institutions has made me realise the strong need for the academia to engage with the Government, Private Sector, NGO's, Community Based and Church Organisations (Civil organisations) in helping to develop a national integrity framework that will curb the ever-growing incidences of corruption in South Africa. Such an integrity framework needs to be accompanied by a comprehensive definition and subsequently an understanding or conceptualisation of the meaning and implications of corruption to the public service, social and political development of the country.

One will not deny the fact that a great number of incidences of corrupt practices in the government, especially on cases of nepotism, and bribery involve ethical dilemmas that are often not properly or accurately documented in the country's legislation or legal framework. It is our responsibility, in the academia to pursue such a task, present and organise workshops, seminars, and roundtable discussion to help develop an ethical framework that is based on proper understanding of the phenomenon of corruption, its manifestation and implications in the country.

In South Africa our task should go beyond defining and developing theories and strategies of corruption. We need to engage NGO's and other civil society organisations in researching and producing reliable information on international best practices and anti-

corruption strategies that can be suitably adopted and applied in South Africa. The limited literature of corruption in South Africa is another issue that sets a serious challenge to the academia. As stated in my thesis, the little number of the books or literature available in our country is either presented as articles, papers and government reports. It is the primary responsibility of academic institutions to research and develop a theoretical framework that will best suit the conditions and legislative framework available in our country. Finally, all these available anti-corruption legislation and institutions in South Africa will be meaningless, if they are not subjected to public scrutiny and intellectual inquiry. It is therefore the task of academic institutions to put efforts and resources in researching corrupt practices in all sectors of the country, especially in government institutions. We also need to engage with other civil society organisations in evaluating and monitoring the anti-corruption legislative framework available in South Africa.

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LIST OF INTERVIEWS

1. Mr. Malope Joshua

Position: Councillor Chairperson of the Protection Services Committee
 Mbombela Municipality: KaBokweni, Zwelisha, Clau-Clau and Newscom Region
 Date: 27 July 2001
 Time: 9h00 am
 Place: Mbombela District Offices (Nelspruit)

- 2. Mr. Nkosi Mfana Wilson**
Position: Councillor and Chairperson of the Disaster Management Committee
Mbombela Municipality: Nelspruit Region (Mpumalanga Province)
Date: 27 July 2001
Time: 11:00 am
Place: Mbombela District Offices (Nelspruit)
- 3. Mrs Mhaule Regina**
Position: Councillor
Mbombela Municipality: Hazyview, Kiepersol
Date: 27 July 2001
Time: 12:00
Place: Mbombela District Offices (Nelspruit)
- 4. Mr. Mazibuko Bheka Timothy**
Position: Councillor and Chairperson of the Urban Planning and Properties Committee
Mbombela Municipality: Daantjie, Msogwaba, Luphisi and Mpakeni
Date: 27 July 2001
Time: 14:00
Place: Mbombela District Offices (Nelspruit)
- 5. Mr. Maphiri**
Position: Provincial Auditor (Office of the Auditor General)
Date: 26 July 2001
Time: 14h00
Place: Office of the Auditor General (Nelspruit)
- 6. Mr. Bomba Nkambule**
Position: Community Leader on Housing Concerns in the Mbombela Municipality
Date: 28 July 2001
Time: 11:00 am

APPENDIX A

TABLE 16: TRANSPARENCY INTERNATIONAL PERCEPTION INDEX SCORE: A HISTOGRAM OF CORRUPTION INDEXES FROM 1980-1996

RANK	COUNTRY	SCORE	1988-1992	1980-1985	1999-2000	CURRENT RANK
1	NEW ZEALAND	9,43	9,30	8,41	9.4	3
2	DENMARK	9,33	8,88	8,01	9.8	2
3	SWEDEN	9,08	8,71	8,01	9.4	3
4	FINLAND	9,05	8,88	8,14	10.8	1
5	CANADA	8,96	8,97	8,41	9.2	5
6	NORWAY	8,87	8,69	8,41	9.1	6
7	SINGAPORE	8,80	9,16	8,41	9.1	6
8	SWITZERLAND	8,76	9,00	8,41	8.6	11
9	NETHERLANDS	8,71	9,03	8,41	8.9	9
10	AUSTRALIA	8,60	8,20	8,41	8.3	13
11	IRELAND	8,45	7,68	8,28	7.2	8
12	UNITED KINGDOM	8,44	8,26	8,01	8.7	10
13	GERMANY	8,27	8,13	8,14	7.6	17
14	ISRAEL	7,71	7,44	7,27	6.6	22
15	UNITES STATES OF AMERICA	7,66	7,76	8,41	7.8	14
16	AUSTRIA	7,59	7,14	7,35	7.7	15
17	JAPAN	7,05	7,25	7,75	6.4	23
18	HONG KONG	7,01	6,87	7,35	7.7	15
19	FRANCE	6,96	7,45	8,41	6.7	21
20	BELGIUM	6,84	7,40	8,28	6.1	25
21	CHILE	6,80	5,51	6,53	7.4	18
22	PORTUGAL	6,53	5,50	4,46	6.4	23
23	SOUTH AFRICA	5,68	7,00	7,35	5.0	34
24	POLAND	5,57	5,20	3,64	4.1	43
25	CZECH REPUBLIC	5,37	5,20	5,13	4.3	42
26	MALAYSIA	5,32	5,10	6,29	4.8	36
27	SOUTH KOREA	5,02	3,50	3,93	4.0	48
28	GREECE	5,01	5,05	4,20	4.9	35
29	TAIWAN	4,98	5,14	5,95	5.5	28
30	JORDAN	4,89	5,51	5,30	4.6	39
31	HUNGARY	4,86	5,22	1,63	5.2	32

32	SPAIN	4,31	5,06	6,82	7.0	20
33	TURKEY	3,54	4,05	4,06	3.8	50
34	ITALY	3,42	4,30	4,86	4.6	39
35	ARGENTINA	3,41	5,91	4,94	3.5	52
36	BOLIVIA	3,40	1,34	0,67	2.71	71
37	THAILAND	3,33	1,85	2,42	3.2	60
38	MEXICO	3,30	2,23	1,87	3.3	59
39	ECUADOR	3,19	3,27	4,54	2.6	74
40	BRAZIL	2,96	3,51	4,67	3.9	49
41	EGYPT	2,84	1,75	1,12	3.1	63
42	COLOMBIA	2,73	2,71	3,27	3.2	60
43	UGANDA	2,71	3,27	0,67	2.3	80
44	PHILIPPINES	2,69	1,96	1,04	2.8	69
45	INDONESIA	2,65	0,57	0,20	1.7	85
46	VENEZUELA	2,63	2,50	3,19	2.7	71
47	INDIA	2,58	2,89	3,67	2.8	69
48	RUSSIA (USSR)	2,50	3,27	513	2.1	82
49	CAMEROON	2,46	3,43	4,59	2.0	84
50	CHINA	2,43	4,73	5,13	3.1	63
51	BANGLADESH	2,29	0,00	0,78	***	***
52	KENYA	2,21	1,60	3,27	2.1	82
53	PAKISTAN	1,00	1,90	1,52	***	***
54	NIGERIA	0,69	0,63	0,99	1.2	90

(Source: TI-Source Book 1996 and 1999/2000)¹

OVERALL TABLE: the table presents two time trends for the two respective periods 1980-1985 and 1988-1996.

Asterisks (***) means that the country was not included in the 1999/2000 survey.

CORRUPTION PERCEPTION INDEX SCORE

Relates to perceptions of the degree of corruption as seen by business people, risk analysts and the general public, and ranges between 10 (highly clean for an example New Zealand had a corruption ranking of 8,41 between 1988 and 1996 as the “clean” country)

¹ This survey can also be accessed via <http://www.transparency.de>

and 0 (highly corrupt). The low rankings were the most corrupt countries in the survey, for an example Bangladesh, Kenya, Pakistan and Nigeria.

SURVEYS USED

Refers to the number of surveys that assessed a country's performance. Seventeen surveys were used and at least three surveys were required for a country to be included into the 1999 Corruption Perception Index.

GENERAL ASSESSMENT OF THE TABLE

There appears to be an improvement in the last 15 years, as perceived by the business people in Indonesia, Portugal, Bolivia, Bangladesh, Mexico, Hungary, Egypt, Thailand, and South Korea. On the other hand deterioration has been perceived in China, Russia, Argentina, Cameroon and South Africa. Nigeria, Kenya and Uganda prove to be the sleaziest or most corrupt African countries at the very last fifteen of the International Transparency list.

APPENDIX B

TABLE 17: COMMERCIAL CRIME IN SOUTH AFRICA: CASES AND CORRESPONDING VALUES 1994, 1995, 1996 AND 1997

SUBJECT	1994	1995	1996	1997
Cases reported	53 411	51 117	54 846	58 668
% Increase / Decrease vs previous year (cases)	Not applicable	-4.3% (2 294 cases)	7.3% (3 729 cases)	7.0% (3 822 cases)
Value (in Rand) involved	4 703 956 385 ⁽²⁾	2 798 235 401	3 834 294 788	3 609 926 736
% Increase / Decrease vs previous year (value)	Not applicable	-40.5% (R1 905 720 984)	37.0% (R1 036 059 387)	-5.9% (R224 368 052)
Average value (in Rand) ⁽²⁾ per docket	88 071	54 742	69 910	61 531
% Increase / Decrease vs previous year (average docket value)	Not applicable	-37.8%	27.7%	-12.0%

1. Unless stated otherwise, all monetary values contained in this report are based on initially reported values, that is the estimated potential loss and not the subsequent actual loss. The monetary value involved in cases could either increase or decrease substantially during the course of investigation.

2. This figure is inflated compared to the figures for 1995, 1996 and 1997, due to 10 cases (reported during January 1994 in the then still Northern Transvaal region - now part of Gauteng province - pertaining to contravention of the South African Reserve Bank Act. The reported value amounted to R1 000 million. This also led to the subsequent inflated percentage decrease observed during 1995.

3. "Average value per docket" is a completely factitious figure and has to be regarded as only one of a number of indicators calculated to measure the reported value involved in commercial crime *in perspective and against the background of the rest of the statistics*. This also has bearing on the percentage increases/decreases indicated.

TABLE 18: COMMERCIAL CRIME CASES UNDER INVESTIGATION FROM 1994 – 1997

SUBJECT	1994	1995	1996	1997
Cases Under Investigation	22 637	25 338	27 819	34 220
% Increase/Decrease in Comparison with the Previous Year (cases)	Not applicable	11.9%	9.8 %	23.0%

NOTES:

The above statistics shown a considerable increase in the number of cases under investigation by the SAP: Commercial Branch Unit. Cases under investigation have increased from 12% in 1995 to 23%. Although there was a slightly slump in 1996, but 1997 has witnessed an increase in Commercial Crime in South Africa (SAPS: Commercial Branch Unit Report, 2000).

APPENDIX C

TABLE 19: TRUST IN PROVINCIAL GOVERNMENT: A SURVEY BY IDASA

	TOTAL	AFRICAN	WHITE	COLOURED	INDIAN
Just about always	11	14	7	5	7
Most of the time	21	23	17	18	17
Some of the time	40	38	41	51	41
Never	18	15	25	14	25
Don't know	11	11	10	13	10

(IDASA, 1996 Provincial politics in South Africa: Powers, Performance and Public Opinion)

A survey done by the Institute of Democracy in South Africa (IDASA) in 1996 found that only a third (32%) of South Africans trust their provincial government to do what is right “*almost always*” or “*most of the time*”. More than a third (40%) said that they could trust it only some of the time. 18% said they could never trust it and 11% did not know (IDASA, 1996: 4).

TABLE 20: TRUST IN DIFFERENT SPHERES OF GOVERNMENT IN SOUTH AFRICA

	TOTAL	AFRICAN	WHITE	COLOURED	INDIAN
Provincial government	32	36	24	23	24
National government	45	53	21	26	32
Old local councils	16	9	34	15	14
New local councils	33	41	18	15	16

(IDASA, 1996 Provincial politics in South Africa: Powers, Performance and Public Opinion)

The survey showed that trust in provincial government in South Africa is significantly lower (32%) than in national government where 45% said they could trust it to do what is right almost always or most of the time. Another noticeable fact is the majority of the African community (53%) who trusted national government more than their provincial governments.

TABLE 21: APPROVAL OF PROVINCIAL GOVERNMENT IN SOUTH AFRICAN

	TOTAL	AFRICAN	WHITE	COLOURED	INDIAN
Strongly approve	13	16	4	10	2
Approve	29	31	22	30	29
Disapprove	28	27	36	21	22
Strongly disapprove	19	16	27	20	23
Don't know	12	10	12	19	25

(IDASA, 1996 Provincial politics in South Africa: Powers, Performance and Public Opinion)

A final element of the evaluation of public trust to provincial government in South Africa concerns the evaluation of the South African society's satisfaction with their performance. The survey found that 47% disapproved of their provincial government while 42 approved (IDASA, 1996: 2).

APPENDIX D

PERCEPTION ON POLITICAL CORRUPTION IN SOUTH AFRICA: A SURVEY BY IDASA.

The Institute for Democracy in South Africa (IDASA) undertook an intensely study on "*Absolute Evaluation of Government Corruption in South Africa*". Although the study was very much about evaluating the current form of the phenomenon of political corruption in the country, it went on evaluating the trends of the phenomenon from the old regime to the New Government. The survey also broadened the range of indicators by evaluating government officials across different branches and levels of government. It also included a similar survey conducted in 1995 as a way of making a clearer picture of the growing incidences of corruption in the South African government.

TABLE 22: RELATIVE REGIME EVALUATIONS: PERCEPTION OF CORRUPTION IN THE NEW DISPENSATION VS. THE OLD

Perception of Corruption in the New Dispensation Vs. the Old		
	1995	1998
More corrupt	42	39
Same	25	28
Less corrupt	23	32
Don't know	11	2

Questioned asked:

1995: Do you think that there is more or less corruption in government that there used to be?

1998: Compared to government under apartheid, is government today more or less corrupt, or is about the same as the old government.

In 1995 IDASA found that four-in-ten South Africans (41%) felt that the new democratic government was more corrupt than its predecessor. In addition, another one-quarter (25%) found that it was no different in this respect. By 1999, the position had improved very slightly, with 39% saying that the new democratic government is more corrupt, 28% still saying they saw no real difference. Thus, in both surveys, a similar 67% could be said to see either no change, or an increase in corruption from apartheid to democracy (IDASA, 1999: 3).

TABLE 23: PERCEPTION OF OFFICIAL INVOLVEMENT IN CORRUPTION IN SOUTH AFRICA

PERCEPTION OF OFFICIAL INVOLVEMENT IN CORRUPTION (PERCENTAGE OF THOSE WHO SAID ALMOST ALL)			
President's Office	1995	1997	1998
Parliament	NA	25	29
Provincial Government	NA	41	44
Public Officials	46	45	53
Local Town Council	NA	50	55
		46	53

Question asked:

- What about corruption would you say that almost no public officials are engaged in it, few officials are engaged in it, or that almost all public officials are engaged in it?
- With regard to the, how many officials do you think are involved in corruption. [substitute ...]

With regard to official involvement, the survey found that 55% of the respondents felt that public officials in the public service are some how involved in corruption. Almost similar percentage (53%) felt that provincial governments were involved in corruption, 44% in parliament and 29% in the President's Office (IDASA, 1999: 2).

TABLE 24: PERCEPTION OF POLITICAL CORRUPTION BY PROVINCE

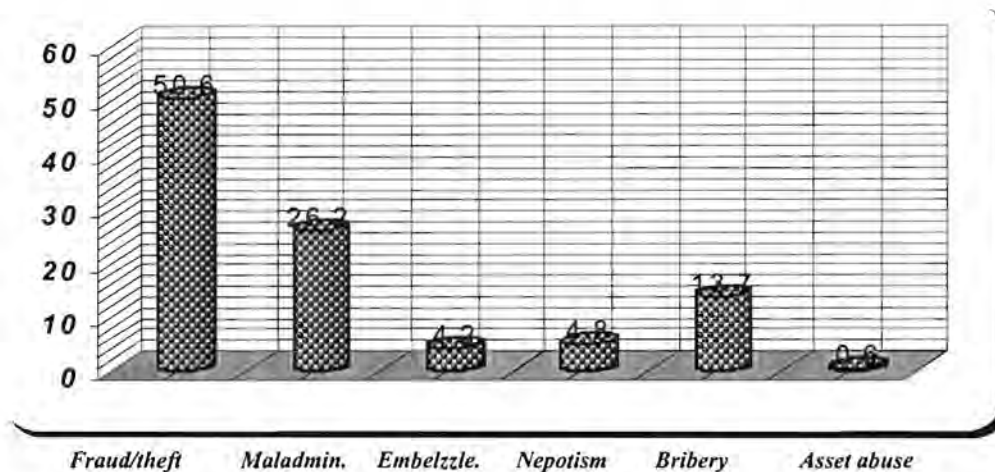
Perception of government Corruption by Province									
Year	KwaZulu Natal	Eastern Cape	Western Cape	North West	Free State	North. Provin	Mpumalanga	Gauteng	North.Cape
1995	44	41	42	37	25	73	36	54	52
1997	61	58	41	43	39	49	37	48	45
1998	71	68	46	46	54	36	32	53	66

The survey found that the highest levels of corruption in the country's provinces were located among respondents in KwaZulu Natal, the Eastern Cape, Northern Province and Northern Cape (IDASA, 1999: 7). An interesting point to be highlighted here is the low level of corruption score in the Mpumalanga Province lower than the Western Cape Province.

APPENDIX E

NATIONAL CORRUPTION

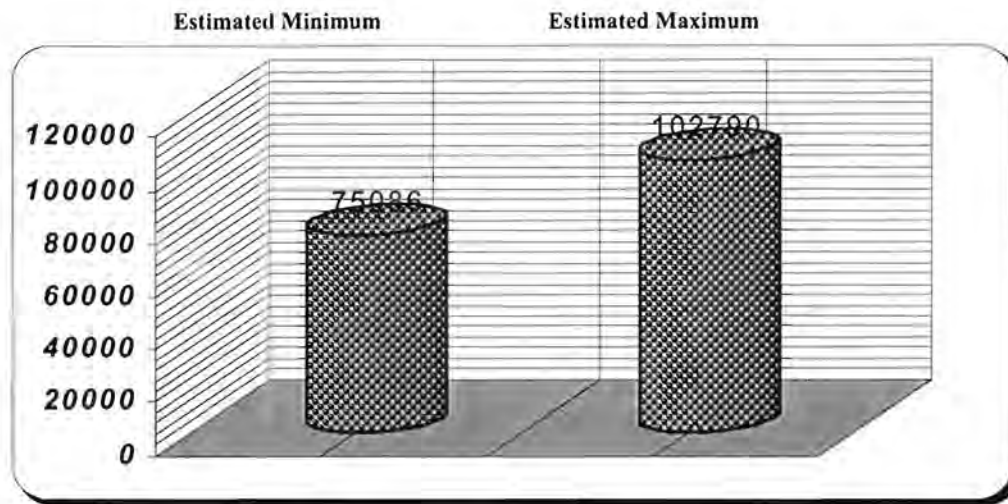
FIGURE 8: NATIONAL CORRUPTION IN SOUTH AFRICA BETWEEN 1994 AND 1997



(Department of Research and Strategy, 1998 Corruption Barometer in South Africa.)

A research conducted by the Department of Research and Strategy of the National Party for the period 1994 to 1997 found that fraud accounted for 50% of all cases of political corruption in South Africa. This was followed by maladministration 26.19%, bribery 13.69% and embezzlement and nepotism with just over 4% each. The research also found that of the 168 cases of political corruption reported fraud accounted for more than half of the cases (85 cases) (Department of Research, 1998: 16). This shows an increase in corruption involving money in the government, which clearly denotes the poor financial management systems of the country.

FIGURE 9: ESTIMATED NUMBER OF PEOPLE INVOLVED IN CORRUPTION IN SOUTH AFRICA BETWEEN 1994 AND 1997



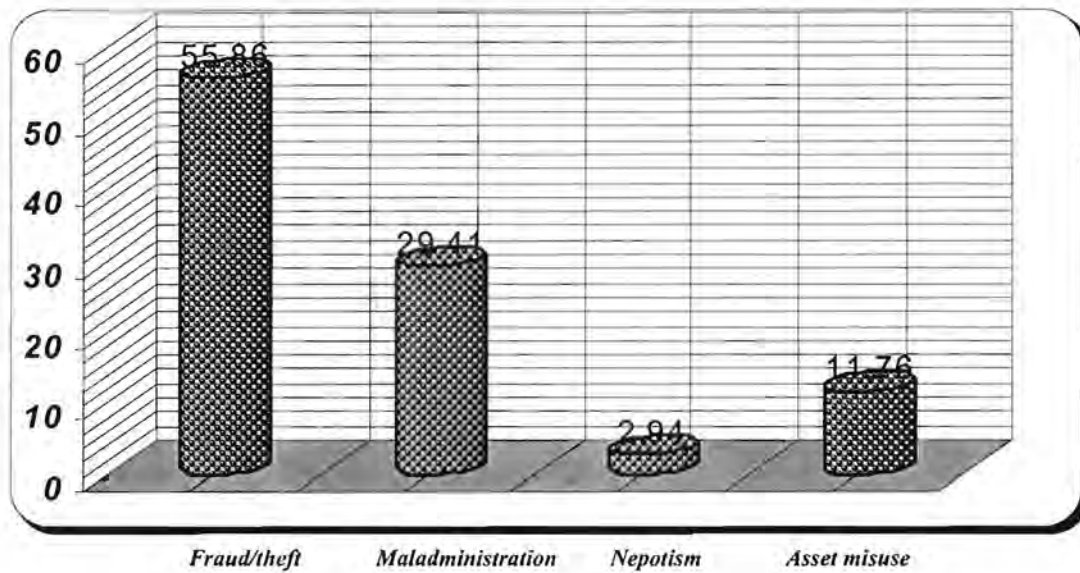
(Department of Research and Strategy, 1998 Corruption Barometer in South Africa.)

It is estimated that almost ten thousand public servants in South Africa were involved in political corruption between 1994 and 1997 (Department of Research, 1998: 16).

APPENDIX F

CORRUPTION IN THE MPUMALANGA PROVINCE

FIGURE 10: CORRUPTION CASES IN THE MPUMALANGA PROVINCE BETWEEN 1994 AND 1997



(Department of Research and Strategy, 1998 Corruption Barometer in South Africa.)

The research found that Fraud accounted for 55, 86% and maladministration 29.41% as the highest incidence of political corruption in the Province and accounted for 85% of all reported cases. Nepotism and favouritism accounted for 2.94% of all reported cases and asset abuse 11.76% (Department of Research, 1998: 42).

APPENDIX G

RESULTS OF THE EXPERT PANEL SURVEY ON CORRUPTION: CAUSES AND CONTROL

RESULTS OF THE ANTI-CORRUPTION AGENCIES

FIGURE 11: AGENCY A: EFFECTIVENESS OF THE HEATH SPECIAL INVESTIGATING UNIT

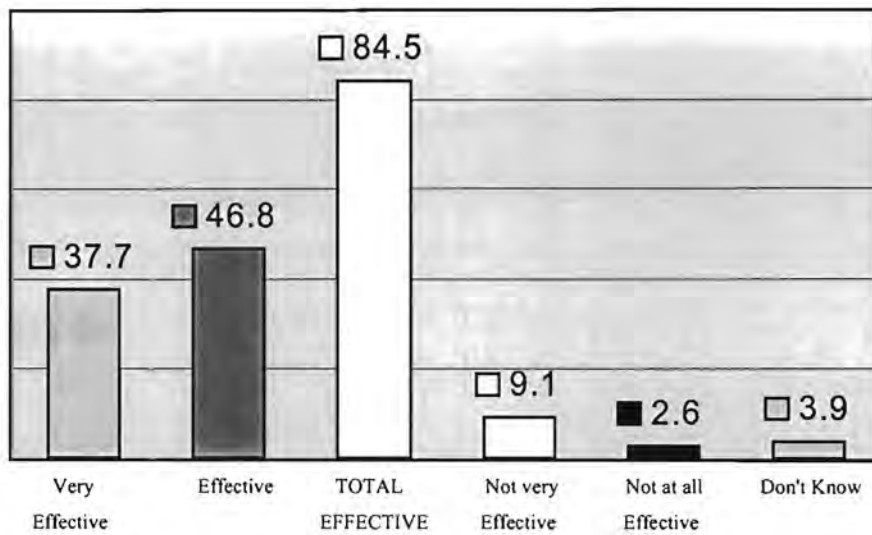


FIGURE 12: AGENCY B: THE OFFICE OF THE AUDITOR GENERAL

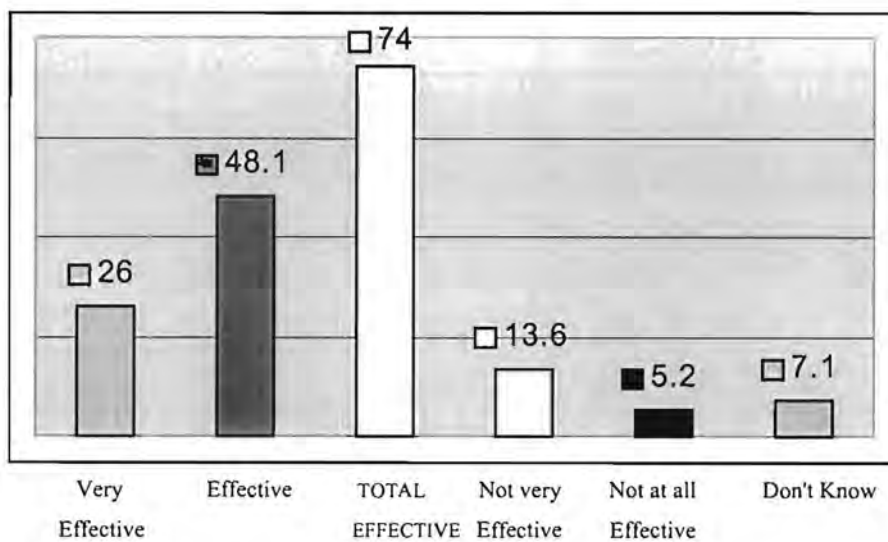


FIGURE 13: AGENCY C: OFFICE OF THE PUBLIC PROTECTOR

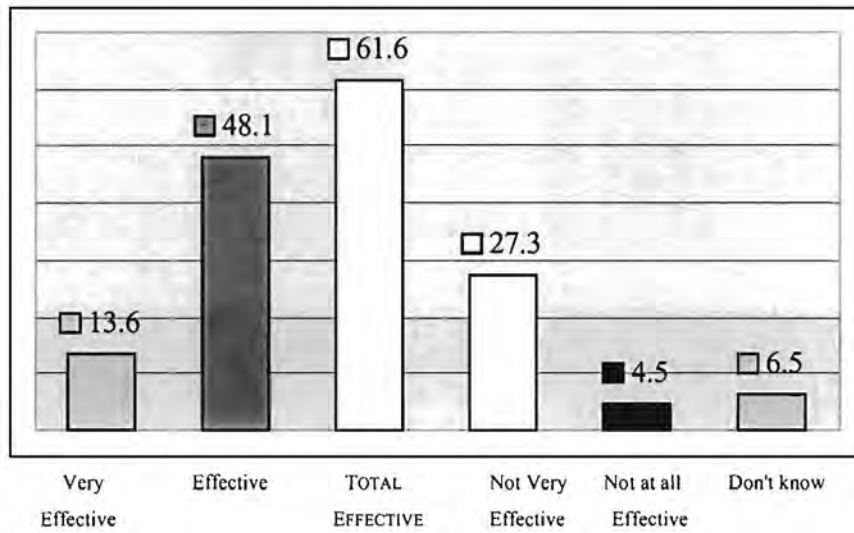
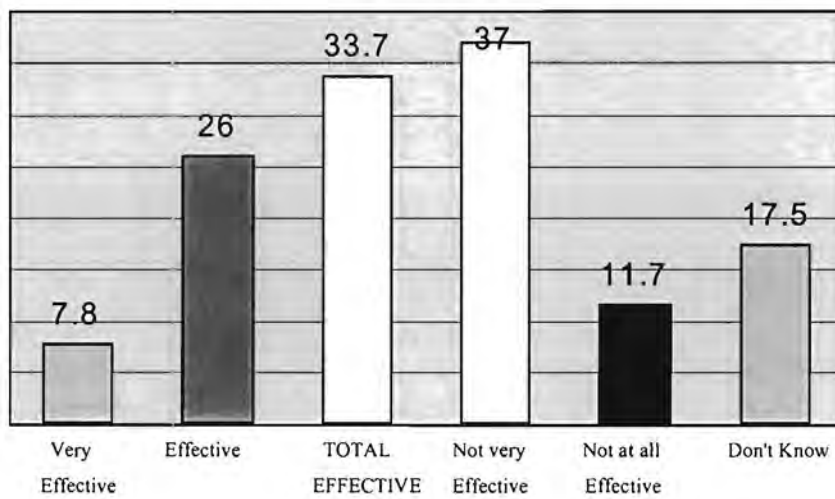


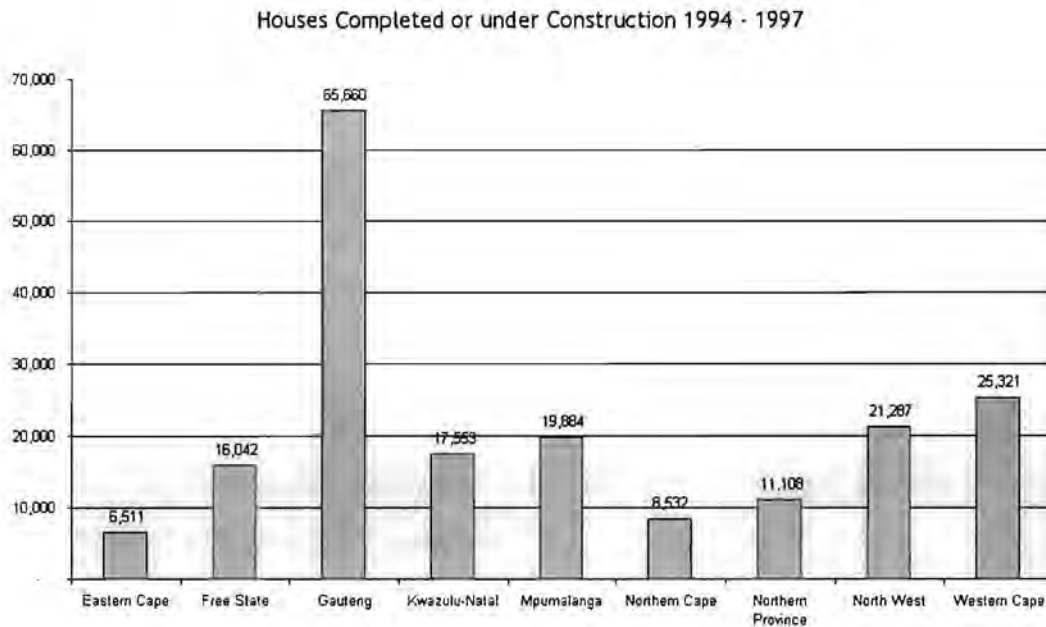
FIGURE 14: AGENCY D: PUBLIC SERVICE COMMISSION



APPENDIX II

HOUSING DELIVERY IN SOUTH AFRICA

FIGURE 15: HOUSES COMPLETED OR UNDER CONSTRUCTION 1994 -1997



According to statistics compiled by the National Department of Housing, the Mpumalanga government was able to build 19, 884 houses between 1994 and 1997 as compared to the 65, 660 in Gauteng, 25, 321 in the Western Cape and 21, 287 in the North West province. Although this figures show a considerable improvement in Mpumalanga when compared to when compared to the Northern Cape which was only able to build 8, 532, Easter Cape 6, 511 and Northern Cape 11, 108. However Mpumalanga showed a massive decline in housing constructions between 1997 and 2000. See figure 18, 19 and 20 below.

FIGURE 16: HOUSES COMPLETED OR UNDER CONSTRUCTION 1997/1998

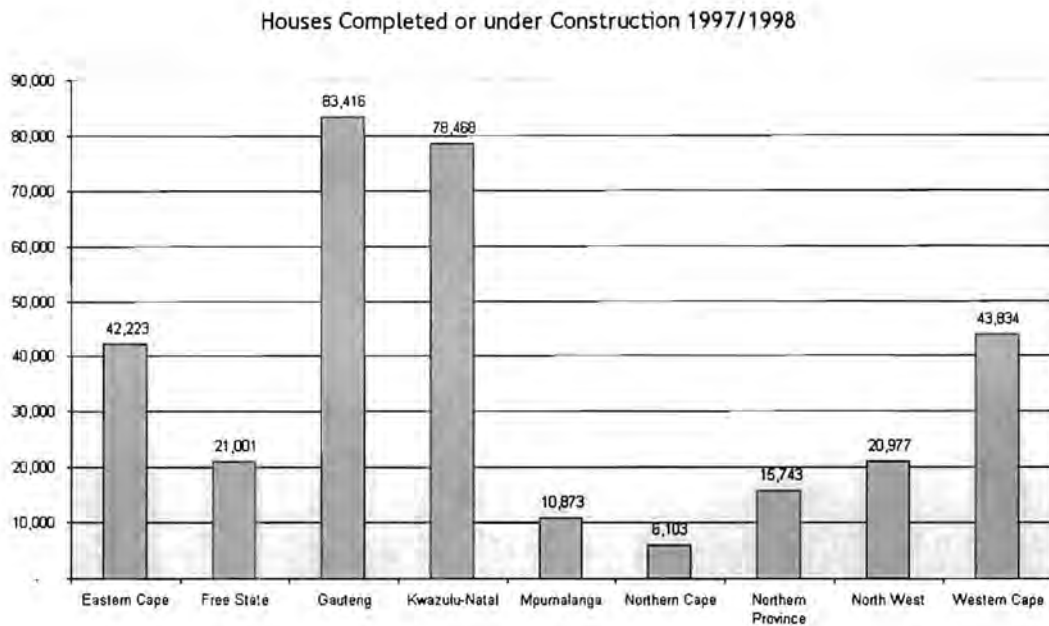


FIGURE 17: HOUSES COMPLETED OR UNDER CONSTRUCTION 1999/2000

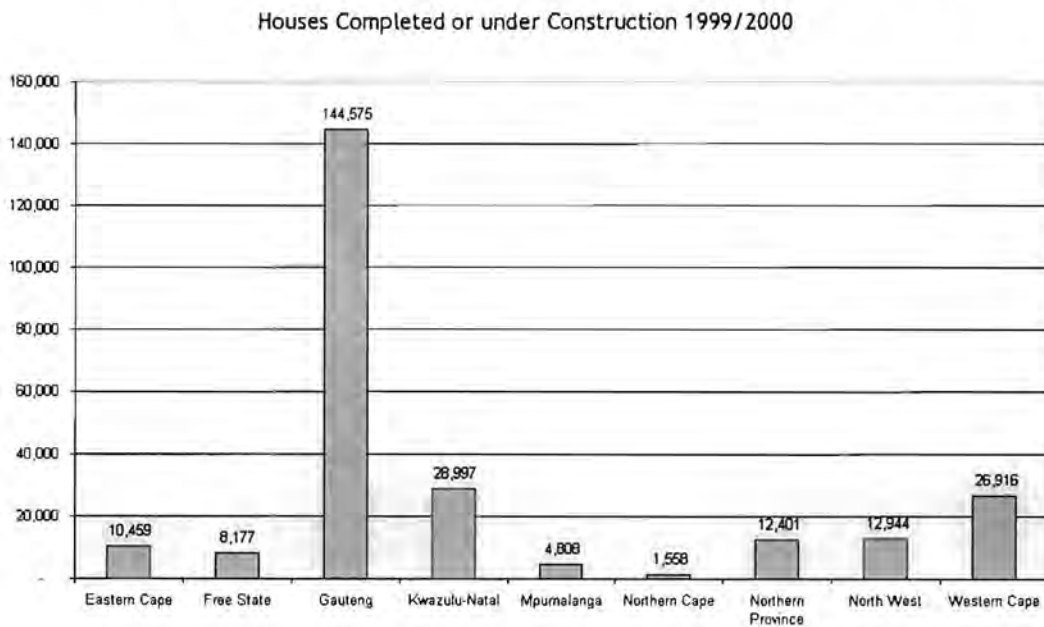
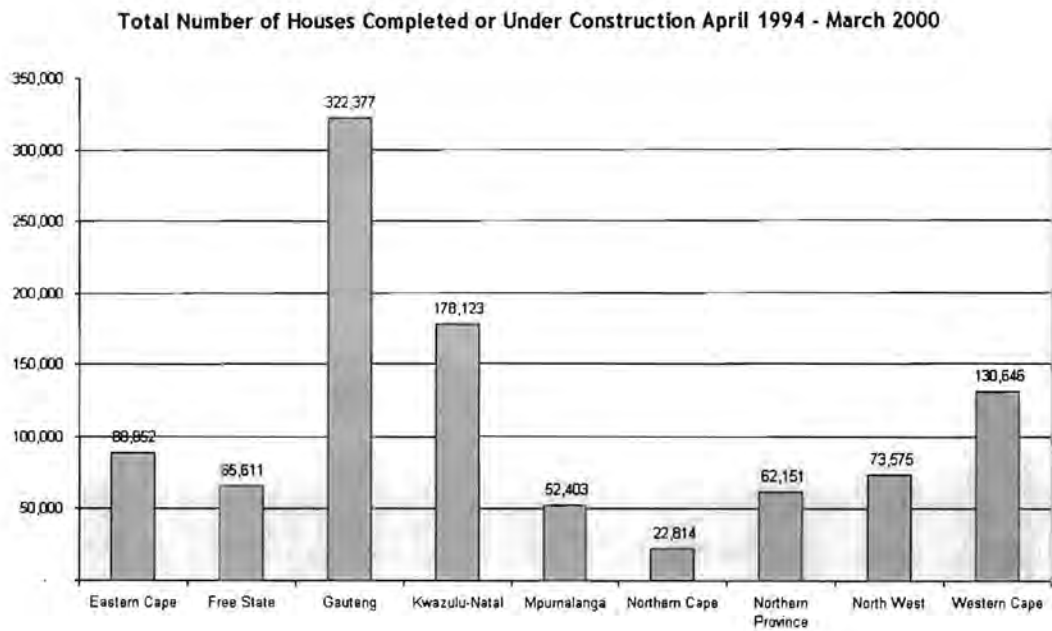


FIGURE 18: TOTAL NUMBER OF HOUSES COMPLETED OR UNDER CONSTRUCTION APRIL 1994- MARCH 2000



APPENDIX I

FIGURE 19: HOUSING PROJECTS IN MPUMALANGA UP TO MAY 2000



Source: <http://www.gov.org.za>

APPENDIX J

INTERVIEW QUESTIONS

1. How great are the housing needs of the Mpumalanga Province?
 2. How does the Mpumalanga compare with other provinces in terms of housing delivery?
 3. In your opinion do you think that there is a housing backlog or extreme shortage of housing in the Mpumalanga Province?
 4. How are the rural housing needs of the Mpumalanga Province?
 5. What projects, if any, have been designed to meet the housing needs of the Province?
 6. What projects, if any, have been designed to meet the rural housing needs of the Province?
 7. In your opinion what are/were the challenges that are/were facing these projects?
 8. In spite of the challenges do you think these projects were/are able to meet the housing needs of the Province?
 9. In other provinces sterile projects which did not get off the ground were cited as the major failure of housing delivery. Has Mpumalanga experienced such problems?
 10. In 1996 the Mpumalanga government initiated a joint venture project with Nedcor and the Motheo Construction Company to try to meet the rural housing needs of the Province, in your opinion how successful was the project in addressing the rural housing needs of the Province?
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