

# KEYNOTE ADDRESS BY PREMIER DAVID MAKHURA TO THE GAUTENG ETHICS AND ANTI-CORRUPTION INDABA. BIRCHWOOD CONFERENCE CENTRE. EKURHULENI.

**21 November 2017**

Programme Director, Mr Tim Modise;

Members of the Executive Council;

Deputy Speaker of the Gauteng Legislature, Hon. Uhuru Moiloa;

Resident Commissioner of the Public Service, Mr Mike Seloane;

Local government leaders;

Members of the Gauteng Ethics Council;

Leaders of civil society organisations;

Representatives of diplomatic missions and international organisations;

Leaders of other state institutions;

Members of the Media;

Ladies and Gentlemen:

Welcome to the 2017 Gauteng Ethics and Anti-Corruption Indaba!

We are gathered here today out of a deeply shared concern that corruption has joined inequality, poverty and unemployment as the **four persistent perils** that threaten to destroy our young democracy. We have to declare these the four main enemies of our hard-won freedom.

Those who think talk of corruption is a distraction from the real development and transformation challenges facing our country, are profoundly wrong. Corruption is an enemy of socio-economic development and transformation. It is no small matter.

There can be no peace, justice and harmony in our motherland unless we tackle inequality, poverty and unemployment, whose face is essentially black and female. There can be no brighter future for ourselves and our children if we allow entrusted public power - public institutions and public resources – to be abused for private gain. There can be no meaningful democracy if there is no public accountability, probity and transparency.

Our people are increasingly running out of patience for all talk and no action because corruption is spiraling out of control as state institutions and key private sector corporations are engulfed in scandal after scandal related to what has been referred to in public discourse as “state capture”.

I am glad to say that we in the Gauteng Provincial Government are not resting on our laurels. We have convened this Ethics and Anti-Corruption Indaba not as an exercise in compliance or a talk-shop. Today, we will share with this Indaba some of the major initiatives undertaken over the past three years.

As the Premier and the Executive Council of this province, we believe strongly in ethical leadership and are working hard to cultivate a culture of clean, accountable, open government and an active citizenry.

In the first State of the Province Address delivered in 2014, I declared that one of the radical shifts required is the way in which we tackle corruption in public institutions by strengthening integrity and openness.

We said we shall introduce more open and transparent procurement processes. I also said we need to mobilise civil society and citizens around fighting corruption and promoting ethical leadership in public and private institutions.

Our success so far has been acknowledged by the Office of the Auditor General of South Africa, in three years we have ensured that two-thirds of our departments and entities achieve clean audits. We are one of the two provinces that have received commendation from the AG, Mr Kimi Makwetu, for demonstrating good leadership in the management of public finances.

The pioneering work of introducing the Open Tender System has received world-wide attention. We are one of the few governments in the world who have opened public procurement processes for probity and public scrutiny. We want to pass a law in our Legislature to institutionalise greater transparency and probity of the public procurement processes because this is an area that is prone to large-scale corruption all over the world.

For instance, in South Africa, government's procurement budget for goods and services is estimated to be over R500 billion annually. The Gauteng Provincial Government spends in excess of R47 billion annually on procurement. This excludes procurement spend by municipalities. We must, therefore, make our public procurement processes more transparent, credible and less prone to manipulation and corruption. You will hear more about this from MEC Barbara Creecy.

As part of this crusade to make government more accountable and transparent, today we will publicly announce the appointment civil society-led Gauteng Ethics Advisory Council, which will be ethics and anti-corruption watchdog of our province. This is the first initiative of its kind in our republic. As the Gauteng government, we want to subject ourselves to scrutiny by civil society on how we are doing in building an ethical culture and fighting fraud and corruption in our province.

Ladies and Gentlemen, the profound weakness in the "anti-corruption" discourse in our country is that we are not paying enough attention to the critical matter of the values. What kind of values are we cultivating in all institutions of society as part of building a post-apartheid society? Are we investing enough time and resources in promoting positive values and ethical practices as we are in dealing with wrongdoing? Is integrity, hard-work and ethical leadership appreciated sufficiently in our anti-corruption campaigns? Is our media giving too much coverage to wrongdoers and very little to those who do right? Do the institutions punish those who refuse to do wrong and reward wrongdoers?

The civil-society led Ethics and Anti-Corruption Council that we have appointed will help us to review all the measures we have adopted and sharpen our capacity to build an exemplary province in our country.

At a global level, corruption is one of the major problems facing humanity today, together with climate change, poverty, inequality, migration and terrorism.

For instance, Transparency International estimates that world-wide \$1.5 trillion is paid annually in bribes, with nearly 1 in 4 people indicating that

they have paid a bribe for access to a particular public good or service such as a school, medical care, a house or even paying a bribe to avoid facing consequences of a criminal offence. It is further estimated that \$ 2.6 trillion is stolen annually through corruption – a sum equivalent to more than 5% of global GDP.

In addition, about 57% of the world population is of the view that governments are not doing well in the fight against corruption. However, there is hope, in that 58% of people aged 24 years and below – the youth – feel empowered to make a difference in the fight against corruption.

In Sub-Saharan Africa, 75 million people are reported to have paid a bribe recently and 58% of Africans say corruption has increased over the past year.

Transparency International's 2016 Report ranked South Africa 64 out of 176 countries with a corruption rating of 45/100. This is higher from the 2015 ranking of 44/100. Denmark and New Zealand were tied as the two least corrupt countries in the world, joined by Finland, Sweden and Switzerland in the top five of the least corrupt countries in the world.

Disturbingly also in South Africa is that more than 4 in every 5 citizens - about 83% - say corruption is on the rise. A study by the Ethics Institute shows that only 9% of the respondents agreed that public sector leadership is ethical. This compares to 66% who said private sector leadership is ethical.

We cannot be happy about this because our country's struggle against apartheid inspired millions of progressive people across the world. The corrupt path we are in is not inevitable. We can build a country that is right there on top with regard to greater equality, social cohesion, shared prosperity, ethical leadership clean and accountable government and an active citizenry. All these values are inter-related.

Corruption and inequality are cousins. Corruption destroys state institutions. It deters investment. It destroys jobs. It hinders development. It stuns prosperity. It steals from the poor. It increases inequality.

As we gather at this Indaba, we do so shortly after the Seventh Session of the Conference of State Parties to the United Nations Convention Against Corruption which took place in Vienna from 6 to 10 November this year. This Conference, also referred to as the "World's biggest anti-corruption Conference", sought to strengthen anti-corruption efforts globally and uphold key principles of integrity, transparency and good governance.

Specifically, the Conference was aimed at assisting signatories to the United Nations Convention Against Corruption; an instrument aimed at fighting global corruption, in implementing all its provisions which are centred mainly around the prevention and combating of corruption.

Writing in the Foreword of the Convention, former Secretary General of the United Nations, Dr Kofi Annan had this to say: *"Corruption is an insidious plague that has a wide range of corrosive effects on society. It undermines democracy and the rule of law, leads to the violation of*

*human rights, distorts markets, erodes quality of life and allows organised crime, terrorism and other threats to human security to flourish.”*

Dr Annan goes further to describe corruption as “*an evil phenomenon*” found in all countries - big and small, rich and poor – but assert that it is in the developing world that its effects are most destructive.

Speaking at the 19<sup>th</sup> National Congress of the Communist Party of China, recently, Chinese President Xi Jinping had this to say: “*The people resent corruption most; and corruption is the greatest threat (we) face. We must have the resolve and the tenacity to persevere in the never-ending fight against corruption. Only by addressing both the symptoms and root causes of corruption – by making sure that officials are honest, government is clean, and political affairs are handled with integrity can we ensure the long term stability ....of the country. Currently the fight against corruption remains grave and complex, we must remain as firm as a rock in our resolve to build on the overwhelming momentum and secure a sweeping victory (over corruption). We will continue to see that there are no go zones, no ground is left unturned, and no tolerance is shown for corruption.... Our political environment will, through tireless efforts, like seas fallen calm and rivers running clear, be clean and free of corruption.*”

Our country’s National Development Plan, Vision 2030 has this to say about the fight against corruption: “*The State sets the ethical bar for society as a whole. If corruption is seen as acceptable in government, it will affect the way society conducts itself. This makes it even more*

*important that government acts to address the high levels of corruption in its ranks.”*

I would like to commend the media, civil society organisations and Chapter 9 institutions that have been in the fore front of exposing corruption. It is time we acknowledge those who are contributing to building a country where there is rule of law, ethical leadership, greater accountability and openness.

I would like to commend all public and private sector managers and leaders who are taking steps to ensure that their organisations operate ethically, transparently and are publicly accountable. It takes a great deal of courage to do the right things and do things right in the public and private sector.

Working together in partnership we must indeed secure a sweeping victory over corruption. Ultimately our goal must be to build an environment that is clean and free of corruption. We must do all of this to give practical meaning to our commitment to open, transparent, integrity driven governance and ethical leadership in our province.

Ladies and Gentlemen, the administration, I have the honour to lead, is ready and able to take the lead in the fight against corruption. We have the political will. We have the stamina and together with the rest of society, we have the resources to win the war on corruption.

Measures to fight corruption include:

- Building a culture of positive values and ethics in society
- Strengthening the rule of Law

- Greater judicial independence
- Democratic accountability
- Institutional transparency
- Greater space for an independent media and civil society watchdogs
- Investing in social cohesion and greater equality among citizens
- Regular audits of institutions and publishing of annual reports on clean governance
- Building strong accountability, performance and transparency frameworks within institutions to ensure consequences
- Appointing anti-corruption agencies that have teeth to bite
- Mobilising civil society and citizen activism – watchdogs important.

It is now my honour to introduce the esteemed members of the Gauteng Ethics Advisory Council:

1. Chairperson - Dr Terence Nombembe, SAICA President and former AG of SA
2. Deputy Chairperson - Advocate Fay Mukaddam, Advocate of the High Court Lawyer and CEO of 4AX
3. Ms Nonkululeko Gobodo, first Black female CA in SA and Accomplished Businesswoman
4. Ms Puseletso Madumise, Sangoco
5. Mr David Lewis, Corruption Watch
6. Professor Stella Nkomo, Unisa
7. Father Smangaliso Mkhathshwa, Moral Regeneration Movement
8. Mr Dennis George, Fedusa
9. Mr Lerata Joel Motsiri, Cosatu
10. Professor Deon Rossouw, Ethics Institute

This Ethics Advisory Council has already started working. I have already referred to them the KPMG issue so that they can advise on how the Provincial Government should deal with ethical questions facing companies that do business with government. The same will apply to McKinsey and others.

The Council will also help me to ensure the Executive and senior public servants uphold the highest ethical standards of public office. Among other things I want them to look at is to monitor declarations of interest in order to ensure that no one uses public office for private gain.

I will also be submitting a number of forensic investigation reports to the Council that have identified wrongdoing in Departments so that we leave no stone unturned in putting long term corrective measures in place as part of our journey to create an institutional culture of ethical governance and integrity in Gauteng. One of this reports is an investigation into corruption in the payment of NGOs. Possible corruption relating to the Life Esidimeni matter and public healthcare in general is also a matter they will look at. Stemming out corruption in the police services, housing, schools, licensing will also become the focus of the Council.

I thank all the members of the Council who have agreed to serve their nation and its people in this capacity. We trust that your ultimate reward will be the smiles, the sighs of relief and the tears of joy especially from the poor and most vulnerable in our society who would otherwise have been denied a public good or service as a result of corruption.

May this Indaba succeed in all its laudable goals! Let's give no room to those who are corrupt in our province. Let us emerge out of this Indaba with a clear plan on what we are going to do to win the war against corruption in government and in society. Our province must take a lead in fighting corruption as much as in tackling inequality, poverty and unemployment.