

CHAPTER 8: TOWARDS A RATIONAL BALANCE

8.1 Introduction

In this case study the participant observation approach has been adopted in view of this writer's vantage point of being a civil service manager engaged in the fight against corruption since 1998. Inasmuch as the national strategy on corruption has been analysed within a scientific framework, it was also possible to share insights gained from first hand experience and access to documents not ordinarily available to the public. This has hopefully helped one to provide what might be termed an 'insider' perspective, but more importantly, one that is open to the rigours of scientific inquiry and which may be of use to further enhance the impact of fighting corruption in South Africa at least. Corruption, it has been shown (2:6), has become much more of a problem requiring national government intervention now than was the case before 1994. However, as this has not been a study to determine levels of corruption, no pronouncement has been made on the extent of corruption in this country. Instead, the focus has been on showing that while the political will to fight corruption is not absent in the South African public sector, there remains a distinct reticence on the part of national government to commit funds from National Revenue Fund towards its control. The national strategy is as a result severely compromised by the failure to calculate monetary costs and make budgetary allocations for the fight against corruption. Unless this effort of fighting corruption is elevated as a line item within the national budgetary cycle and is considered as a fiscal end in itself, the

possibility that fighting corruption would produce a positive impact for society will recede.

If and when a policy decision is taken to give effect to the above proposition, the question will arise as to how and to which functions of government will funding will be apportioned. In a situation of diminishing resources and increasing budgetary constraints, the challenge to find an acceptable balance in adequately responding to the needs of the country becomes quite acute. Continued reliance on donor support to drive the strategy against corruption is not something that can be sustained over time, if costs escalate and a greater impact is sought. It behoves government to therefore be more prudent in how it uses its existing resources. In this chapter a three-fold scenario will be created to illustrate some options that can be exercised by national government to fight corruption. The first is one where increased spending will possibly produce a positive impact but only if additional revenue can be procured, which at present seems unlikely. The second, which is offered more as a caution, is one where increased but arbitrary spending can actually cause a diminished impact and contribute to a negative overall situation. The third and final option of decreased spending and greater impact is the one least costly to implement from a monetary point of view, but more difficult to effect against interference from administrative and political factors.

8.2 Increased Costs and Greater Impact

On 19 August 2004, the *Pretoria News* announced in bold print on its front page: 'Massive probe of fake licences'. The article that followed concerned a nationwide investigation that was to be launched into irregularities surrounding the issuing of thousands of driver's licences. In the Greater Pretoria area alone, it was claimed that up to 20 000 drivers had been issued with fraudulent licences. Seventy investigators from the Special Investigating Unit were to be assigned to the case, which was expected to last at least three years at a cost of R50 million to the taxpayer. Such an estimate of resources, both human and financial, may be considered extravagant if one considers that the annual budgets of individual anti-corruption agencies discussed earlier (6.4) are often less. These budgets are in most cases less than adequate to cover the figure mentioned for one national investigation of a single corruption-related problem. If one went further and tabulated the costs of similar probes into corruption in customs, the Road Accident Fund, Correctional Services, police corruption, procurement procedures in housing departments, money laundering, immigration control, the issuing of fake identity documents, birth certificates, passports and fishing licences, which have all been targets for corrupt practices, the total would probably run into billions of rand and require the services of thousands of trained personnel. Clearly, all acts of corruption cannot be investigated with the same amount of resources set aside for the single national probe mentioned above. Corruption, it seems, does matter, but so do the lack of water and electricity in rural South Africa, anti-retroviral treatment for HIV/Aids, classrooms for schools, clinics,

sports facilities for the citizenry, parks and gardens in public places, better roads, formal housing for all, and so forth (4.3). The fight against corruption has therefore to compete with a long list of equally legitimate priorities within the budgetary constraints that determine the allocation of national resources.

This study was fortunately not intended to offer a calculation of the costs of fighting corruption, for if this were the case, a formula would be offered that could be used (if at all possible) to measure such costs. Each corruption case requiring investigation would be assessed such that a budget could at least be drawn up on paper. From the outset I tried to show that corruption is a matter that has been given serious attention in the public sector of South Africa from 1997 onwards (5.3). However, the political rhetoric about corruption has not been matched by a commitment of resources to make the fight against it effective. Increased spending to absorb the costs of offsetting the impact of corruption was not the standard response of government. An increase in corruption, which is what the above *Pretoria News* article was about, especially with regard to fake driver's licences, necessitated a focused national anti-corruption initiative with very high cost implications for the national fiscus. The obvious expected impact from the verification exercise (not mentioned, but assumed) is that only properly authorized driver's licences issued in South Africa would be valid. Fake licences would be confiscated and those holding them, together with those involved in issuing them, would be prosecuted. South African roads would be safer for public use, as only legitimately qualified drivers would be allowed to use the national roads, thus bringing down the already very high accident rate. Of course the

assumption being made here is that drivers with fake licences are more prone to causing accidents than those with legitimate licences. It is also assumed (incorrectly though) that those who drive without any kind of licence (such as teenagers under the age limit) are less of a threat when they use the roads, often at high speed. Such a conclusion seems logical when such drivers are not targeted for investigation. Legitimately licensed drivers, it should be noted, can be a serious obstacle to public safety if they drive in vehicles that are not in roadworthy condition, which, again, is a common sight on the national roads. The point being made here is that the public impact that is supposed to accrue from the massive investigation mentioned above is quite difficult to quantify, let alone justify, against other budgetary priorities that the country faces. Yet if the task of fighting corruption is viewed as a fiscal end in itself as, for example, spending on national defense or education, the question would hardly arise.

If government, on the other hand, decided to ignore the prevalence of corruption in the issuing of driver's licences in order to save on resources, the situation that would arise would be equally untenable. Most citizens would soon become aware of the corruption and would be encouraged to bypass the law in obtaining their licences without having to follow the rigorous procedures involved or paying the stipulated fees. After all, why should one pay more and subject oneself to a test when it can be bypassed and the fee negotiated? Before long, those who continuously profit from this form of corruption will want to increase their illicit income and will seek new ways of introducing corruption into other areas of service delivery, for example in the issuing of fishing quota licences, work permits

and identity documents. An antinomian culture will take root in society, inviting even organized crime to proliferate, and causing the upholding of the rule of law to be severely compromised. Foreign direct investment will suffer as investors will lose confidence in the ability of the government to make the country safe and the rules for business transactions certain. With decreased investment, mass employment levels will arise to put government under added pressure, and a general apathy towards law enforcement will become the order of the day. Such a scenario reflects the reality to a considerable extent in some of the less developed countries of the world, as we observed from our study of the relevant literature in chapter 3. South Africa, not wanting to follow suit, therefore adopts a more proactive approach to fighting corruption by effecting counter-measures such as the one under discussion here. While the benefits to society from the above 'clampdown' might not be immediately clear, the long-term impact is far more convincing, as we have seen. The luxury of ignoring corruption, at zero cost, is thus not an option worth exploring especially if one accepts that corruption is wrong in itself and must be fought.

The conventional wisdom about fighting corruption, as articulated by a noted scholar such as Robert Klitgaard (4.2), requires the same kind of action to be taken against corruption as that contemplated against the fake driver's licence scam. Klitgaard, as we saw, went further and called for a country to make a cost calculation such that the costs of fighting corruption do not outweigh the impact derived from it. This is not something we would venture to question at first sight.

Yet, because of the extreme complexity of such a task, he himself is unable to offer an example of how a given country can possibly make such a calculation at any given time. Our exposure to the insights of other scholars and specialists in the field of anti-corruption failed to produce any new evidence to help us make such a calculation. It seems that one should rather be encouraged to accept that though the calculation of costs in fighting corruption is a useful point of departure for preventing costs from producing a negative impact, the nature of corruption and the attempts to fight it defy the use of cost-benefit analysis for this purpose. What have been established with certainty, though, are the usually harmful effects of corruption, despite some objections (3.4), and the need for certain forms of action to be taken against it. Whatever action is contemplated, costs will arise that require a 'balancing act' on the part of government. The Minister of Finance was reported in the *Pretoria News* (21 September 2004) as having said exactly this: 'The challenge of budgeting is not about all on social grants or all on road building, it is not about just spending on education versus spending all our money on fixing the ports. It is about managing this delicate balance.' Government spending on fighting corruption specifically has been minimal in comparison to other budgetary line items as we have seen (chapters 6 and 7), resulting in the efficacy of its anti-corruption strategy being compromised, but a case has not been made in this study yet for government to increase such spending.

The introduction of a national integrity system (NIS) (4.4) into a country suffering the effects of increased corruption offers the possibility of management and control being exercised to the extent that benefits will arise as the 'pillars of integrity' are established and become functional. It should be realized, however, that the cost of setting up these pillars and maintaining them with scarce resources is a considerable challenge. Creating institutions such as an *ombudsman*, auditor-general, and other watchdog agencies, together with the presence of an independent judiciary, an active civil society and free press, cannot be directly equated to a reduction in corruption. These pillars are more precisely the building blocks for the evolution of a democratic culture in any society that would include the upholding of the rule of law and hence the punishment of corrupt practices. Having all the pillars in place, as they are in South Africa, is not the same as having them all working together to fight corruption; neither does their existence guarantee a reduction in corruption. The national integrity system is meant to create an environment where an ethos of transparency and accountability is infused into every public institution, thus making the mere thought of corruption among officials very unlikely. To ensure that each pillar is fully functional with adequate resources is a separate challenge for developing countries which, in terms of the NIS design, would ordinarily require substantial assistance from donor partners. It is a matter of particular difficulty to locate any country in the southern hemisphere where the NIS has been completely adopted, effectively implemented and continuously sustained. The fundamental flaw with the NIS from a costs point of view is its reliance on

'international actors' for the implementation of its principles. To accept that corruption has increased and to believe that a positive impact will arise from fighting it through transparent and accountable institutions seems plausible enough. To have the necessary resources at one's disposal to build and sustain these same institutions (after balancing the budget), and to ensure that they implement their mandates free of political interference is, on the other hand, an almost insurmountable challenge for the developing world.

Earlier (4.3) we noticed why it would not be possible to have a fully balanced budget except by apportioning a value to each line item on the budget and thereafter deciding on their respective priority in terms of the national interest. This, we observed, was something that rarely happens because political bargaining and trade offs, between and within ministries and departments, usually constitute the way in which budgetary allocations are made. Failure to secure adequate funding for fighting corruption may have as much to do with the ability of an individual minister, or head of department, to negotiate the relevant increases or to make a strong enough case for the allocation of new resources from the National Treasury. Despite strong pleas from the Office of the Public Service Commission, only R500 000 in additional funds was secured for the National Anti-Corruption Hotline in September 2004.¹ That the introduction of the hotline was in part an attempt to reduce the cost of having multiple anti-corruption hotlines throughout the public service mattered little to the National

¹ OPSC/CD: PEHRR.

Treasury officials who are empowered to advise on such matters. After Cabinet had taken a decision in August 2004 that government should play the leading role in organizing the second National Summit Against Corruption, the PSC was left in no doubt that no amount of funding for this purpose would be made available from the national fiscus.² A budget of over R1 million was projected for this event to be held and, as has become the norm, letters were subsequently sent out by the PSC requesting technical assistance from its donor partners, as it had done for the first summit in 1999. One cannot escape the conclusion that to the present government in South Africa the *value* of fighting corruption is greatly inferior to a range of other competing values. Those higher priority values might include the hosting of the Pan African Parliament, providing a private jet for the president's air travel, budgeting millions of rand for the celebrations of South Africa's ten years of democracy and engaging in endless peace initiatives in strife-torn parts of Africa. Purely in terms of cost, the balance is not in favour of increased spending to fight corruption when it is pitted against these more 'important' matters. If corruption were a priority, despite the claims of the national government, it would need to be costed (as a budgetary line item preferably). From what we observed earlier through public perceptions surveys (5.3), corruption is on the increase. Though increased spending to alleviate the effects of such corruption, with its attendant impact, has not been seriously contemplated, this strategic option remains available for the South African public sector to appropriate at any given time.

8.3 Increased Costs and Diminished Impact

It is possible to argue that the increased costs that arise from trying to contain an increase in corruption can indirectly reduce their impact on society, and that such 'corruption control makes government ineffective' in the long term.³ Some examples will suffice to illustrate this point further. If one looked at the matter of public management reforms, as we did (7:6), a range of initiatives have been effected to ensure that a far more professional standard of service is offered to the public by qualified personnel who are free of corrupt intentions. But there is a downside to such reforms as well. It is now extremely difficult to dismiss, punish or transfer a manager for poor performance in the public service because of the plethora of rules and regulations that have been introduced for employee protection. The steps to be followed are quite complex to adhere to correctly unless one is trained in the application of legislation governing labour relations. To employ a manager to fill a vacancy takes an inordinate amount of time that involves drafting a tediously 'correct' notice for advertisement in the print media (which should include standard clauses concerning representivity, allowing at least two weeks for applicants to respond, and specifying the minimum requirements attached to the vacancy, etc), allowing time for processing the applications, short-listing, interviewing, offering the selected candidate the position, negotiating salary and other conditions, and finally receiving a written

² Ibid

³ F Anechiarico and James B Jacobs 1996, *The Pursuit of Absolute Integrity: How Corruption Control Makes Government Ineffective*, Chicago: University Of Chicago Press. See also Philip K Howard 1994, *The Death of Common Sense: How Law is Suffocating America*, New York: Random House.

response from the appointee after a specified time that the offer of employment has been accepted. All of these steps have to be *strictly* adhered to so as to prevent any grievances being launched by unsuccessful candidates.

Unlike the private sector, where 'head-hunting' a suitable candidate at short notice for a managerial position is the norm, the public service is quite disadvantaged by the amount of time that must elapse for each step of the hiring process to take its course. Worse still, a vacancy must usually be subjected to a 'job evaluation' before it is advertised, and in some cases psychological testing is required and security clearance obtained for the desired candidate before hiring. To effect an internal transfer or promotion, which would reduce the impact of the bureaucratic nightmare, and allow for proper matchmaking of person to position, is an even more complex procedure. To employ public officials on the basis of competency, efficiency and motivation in the absence of the above intruding requirements is virtually impossible. Yet these same requirements have mostly been introduced ostensibly to prevent corruption from taking place in the form of nepotism and patronage. From what we observed about new corruption in South Africa (5:3), the efficacy of these measures is questionable. All director-general positions must first be advertised in the media (at considerable expense) before being filled, though ministers are known to choose their own senior officials on the basis of personal relationships and party loyalty, rather than the merit principle.⁴ The savings that can be made by departments in foregoing this

⁴ OPSC/CD:PEHRR

requirement alone would run into millions of rand. I am of the opinion that patronage does take place, and if it is to continue, it would be cost effective to allow ministers, and their directors-general (for appointing lower-ranked officials) the necessary latitude or 'grease' to keep the wheels of government turning. Some might argue that a trusted colleague in a key post can make a lot of difference, and so patronage should be allowed, provided it does not become excessive and out of control. Others might say that it is already present in the public sector, and always has been, and that less time and money be spent on worrying about it, let alone on adopting measures to guard against it.

When we discussed the management of ethics as a tool for preventing corruption (7.5), we made specific mention of the financial disclosure framework for public service managers. Completion of the financial disclosure forms is meant to promote transparency about potential conflicts of interest, but it can also be a licence for the official to 'protect' his or her private interests by being open about them, since detection and punishment are not mandatory where conflict of interest exists. The definition of corruption has certainly expanded to the point that the right to privacy has been severely undermined by parliamentarians having to report the business interests of their spouses. All financial investments in bonds, trusts, annuities and bank accounts must be reported, such that one's net financial worth and collective business interests become an open secret. Information of this nature is private, but having to report it to certain government officials (some of whom might be colleagues) puts a manager's private interests

at high risk of exposure and manipulation. One is led to presume that the financial disclosure requirement will serve as a deterrent to qualified, but wealthy, applicants such as successful 'turnaround' executives from the private sector from seeking public service jobs. This may partially explain why, despite the improved managerial salary packages, the flow of personnel is usually in one direction only, namely from the public to the private sector. The threat of punishment for not submitting one's financial disclosure form could be seen as a way of treating public officials like prisoners on probation in the criminal justice system. Rather than relying on personal integrity, a sense of public duty and norms of the profession, the ethics rules such as those embodied in the Code of Conduct for the Public Service (7.5) would seem to invoke an atmosphere of control, surveillance and investigation for breaches committed. The morale of public servants inevitably suffers if their guiding motto is to get through the day without being caught, and if they are seen as potential criminals seeking opportunities for personal enrichment at every turn rather than as loyal officials making sacrifices in the public interest. Financial disclosure and ethics rules, therefore, whilst introduced (and at cost for implementation sake) to immediately prevent forms of corrupt practices, can have a negative effect, as discussed above, and may actually produce a negative impact in the longer term than might otherwise be the case.

The example of the downside of whistle-blowing may also be cited in the context of measures that, if adopted, increase the cost of fighting corruption without

necessarily bringing about a reduction in corruption levels. We saw in the case study (6.3) that whistle-blowing produces costs for the whistle-blower and the employer that are often underestimated. Furthermore, some cases of whistle-blowing, as prominently reported in the print media, have included allegedly incompetent individuals who falsely claim protection under the relevant legislation in order to stave off pending disciplinary action being taken against them for some misconduct. Protected whistle-blowers acting with questionable intent can in terms of the law hold on to their jobs for as long as their cases are being resolved, and can also harass their supervisors and cause mayhem in the organization before they eventually depart. An important consideration is the extent to which whistle-blowing serves to undermine the authority structures and chain of command within a department. If someone successfully blows the whistle on a colleague, it becomes quite difficult for a supervisor to exercise discipline over that whistle-blower without inviting the allegation that such discipline is a form of reprisal and retaliation. Managers will be persuaded to proceed with utmost caution in enforcing discipline if the threat of their disciplinary actions being constantly referred to external agencies looms too large. A good manager can easily have his reputation tarnished by a whistle-blower with ulterior motives, and may lose face and authority if the same whistle-blower continues his or her employment under protection. In effect, with the introduction of the whistle-blowing legislation, all employees in government are encouraged to become investigators and activists in uncovering corruption. Since it is an offence to bear witness to corrupt activities and keep silent about it, the

police instincts are supposed to be ignited in every public servant to be constantly on the look out for misdemeanours by colleagues, lest it be proven that one is an accessory to such deviance.

The argument that a diminished impact may result from the effort to increase costs in corruption control may also be extended to procurement practices. Attempts to reform public procurement procedures at minimal cost to prevent corruption have been discussed already (7:3). The discretion of the project manager in choosing the most appropriate contractor has been removed by the regulations, such that contractors are now in a position to exercise a stronger influence on the bidding process than before. If a company enters the bidding process with the lowest price, and has the necessary black empowerment credentials, the possibility of being granted the tender is greatly enhanced. The project manager's ability to obtain goods and services of a superior quality could well be put at risk if contracts are awarded with diminished attention being given to a company's performance credentials, or the principle of merit. The emphasis on price may create an incentive for all bidding companies to know what their rival bidders' prices are, thus opening further space for the possible bribery of government officials involved in the project. Another corruption incentive arises through 'fronting', where companies are forced to seek innovative ways of showing their black empowerment credentials (even if these do not *de facto* exist) in order to compete favourably. If shoddy workmanship has resulted from poor public works contracting, in some housing developments for example, a

situation is created where other poorly performing companies are encouraged to enter the fray and mislead government by quoting low prices and lying about their black empowerment credentials. Companies with good reputations for professional service, on the other hand, become cynical and are discouraged from bidding for government contracts when they see the abuse. This is apart from the issues of massive red tape and slow payments that characterize business transactions in the public sector. Competition suffers as the lowest bidder is not always the one who will get the job done best. Another complicating factor is the need to ensure that companies listed on government's debarment register are not awarded contracts, thus creating an extra layer of bureaucratic procedures to be followed at additional cost and time.

The problem with the attempts at corruption control, which include whistle-blowing, procurement procedure improvements and public management reforms, as discussed above, is the absence of a correlation between effecting such measures and the positive impact of reduced corruption. While one may tacitly accept the need for such interventions at whatever cost, it is more difficult to establish their effectiveness in causing corruption to decline either slowly or rapidly. We have noted that in some cases new opportunities will inadvertently be created in trying to control corruption. This is akin in some way to providing solutions for one set of problems only to create another set, or, by making it difficult to act corruptly, it becomes more difficult to control corruption. The question that must be asked is whether by being obsessive about rules and

regulations for monitoring and policing public conduct, government has become less efficient and effective by incurring a range of non-monetary costs like declining staff morale, strategic fatigue, a managerial psychosis of fear, low risk taking, lack of organizational flexibility and poor responsiveness to public demands. It is little wonder that public managers are happy to account for their conformity to rules rather than their attainment of goals. The higher costs of corruption control are likely to become even higher as signs of lower corruption levels recede even further. Government would be wise to quantify its costs and include them within the budgetary framework such that so that a value for money chain is created whereby the positive impact on society, and to government itself, are ensured before embarking on an anti-corruption battery of measures. Such steps must eschew that costs outweigh impact, or that there are less costly strategies that can work equally effectively, but which are being ignored. If the original reason for the creation of certain measures have dissipated, there is no point in retaining them. However, because such information is not easily obtainable, it again becomes difficult to know whether what is being attempted to fight corruption is most effective when the measurement of corruption itself is problematic.

8.4 Decreased Costs and Greater Impact

The discussion thus far (above in this chapter, and in the earlier case study) would probably have created the bleak impression that fighting corruption is a

wasteful exercise involving the use of taxpayer's money and bringing few immediate advantages. One might conclude that the rate of corruption is high enough and will continue its upward momentum with government controls achieving little by way of a reduction. In the first scenario sketched above, that of increased corruption producing high control costs with a positive impact, we observed the attraction of this option even in South Africa, but noted the quiet resistance of governments to producing budgets to cover these costs. In the second scenario, that of increased costs and a diminished impact, we are left wondering whether governments might be unwittingly exercising this option without due regard to its negative long-term effects. This option is not meant to imply that government should ignore corruption (something we discounted earlier), but that a bureaucratic preoccupation with regulation and control can have detrimental effects and reduce the overall impact of fighting corruption.

All is not doom and gloom, however, if another scenario of spending less and achieving more is envisaged, as I shall explain. As far-fetched as it may sound, it is possible to decrease the costs of fighting corruption and still generate a greater impact. This may be described as a practical policy option that involves government reducing its 'budget' for controlling corruption and redirecting its resources towards the establishment of a single anti-corruption agency led by a 'graft buster' or anti-corruption champion. This is the third and final option that is presented here against the background provided in the introductory chapters, and the conclusions reached in the case study. It is the one that is most

recommended for the attention of the public sector of South Africa if it hopes to achieve a *rational balance* in controlling the costs and impact of fighting corruption.

Since 1994 South Africa has embarked on some major policy adjustments, and in some cases widespread overhaul of old policies, but in the absence of a clearly articulated policy process (5.2). It is imperative that policy intervention is preceded by the development of a thorough understanding of the relevant department(s) and the policy programme or system that needs changing. Alternative courses of action must be put on the policy table for consideration by multiple actors. The consequences of each policy option must then be explored before implementation and, of course, the costs and impact as well. The process of deciding on a certain policy direction should involve wide stakeholder participation, so that public reaction to it is to some degree predictable. The capacity of the country and its infrastructure should also be assessed to ensure that implementation will follow. Furthermore, it is a recipe for failure when governments seek to appease public sentiment by adopting policies without measuring the costs of implementation against budgetary constraints. As we noted before (4.3), this will require some clarification of values, principles and priorities, so that there is overall consistency in what government is attempting for the country as a whole. The precise role of a relevant department(s), minister(s), and other officials must be clearly spelt out to avoid duplication and timeframes must be set to monitor and evaluate implementation. It is a fallacy to

believe that good intentions will result in effective policies, hence the need for the above steps to be carefully adhered to (almost as a rule) if the country is to benefit from proper policy procedures being followed. Unfortunately, as we saw with the first report commissioned by government on anti-corruption policy (5.3), a number of these steps were specifically mentioned for attention, but were ignored as the public sector 'muddled' its way through corruption. With the advent of the Public Service Anti-Corruption Strategy, some improvements were noted, though, where identification of responsibility agents, timeframes and budgets were found necessary to ensure its effective implementation (7.1). However, if policy process is to be observed as it should, the public sector will have to seriously consider the need for a feasibility study (involving cost-benefit analysis and at a great deal of time and cost) to determine the extent of corruption and the possible alternative courses of action that should inform policy development. This is at least one point where the policy process on fighting corruption can begin, again.

Fighting corruption is as much about changing public perceptions as it is about reducing the actual levels of corruption, whether these can be measured or not (2.5). Robert Klitgaard's 'framework for policymakers' (4.2) offers us 'real examples' of how corruption has been successfully controlled through the engagement of what we may call 'graft busters'. In Hong Kong's successful fight against corruption, the name of the first person to head the ICAC, Jack Cater, stands out for the leadership he provided in bringing the corrupted to court (4.5).

In the case of tax corruption being brought under control in the Philippines during the 1970s, such success cannot be understood apart from the key role played by Justice Plana. Whether the corruption 'clean-up' is in La Paz, Bolivia (Mayor Ronald MacLean Abaroa), Tanzania (Justice Warioba), or South Africa (Judge Willem Heath), the role played by the 'graft busters' who champion the cause and give the struggle against corruption the necessary public profile should not escape us. In South Africa's case, Willem Heath is still most highly regarded throughout the world for his work when, as a judge, he was appointed by then President Mandela to head the Special Investigating Unit (6.4). Though it remains a challenge to evaluate the net effect of his efforts to recover state assets and prevent further corruption, his constant engagement with the public (through the media) was a major boost for public confidence in government's attempts to control corruption, not least in the Eastern Cape province. We also mentioned how such public interaction was given a very high priority by the ICAC (4.5) and why the media is an intrinsic pillar of integrity in the fight against corruption anywhere (4.4). Role models, which is what the 'graft busters' are, seem to exact the highest respect from the citizenry, and it is important for such leaders to be strategically positioned, and empowered, to lead the fight against corruption. But this cannot happen if the mandate to tackle corruption is shared among an array of organizations. With the removal of Willem Heath from the SIU, and his 'firing' as a judge by President Mbeki, South Africa lost its champion, and no one has been put forward to assume that role since.

There is a strong case to be made for the establishment of a single anti-corruption agency in South Africa, one that will be fully independent, adequately resourced and headed by a leader of the highest integrity. Only the broad outlines for such an effort can be discussed here in view of the fact that this study is concerned primarily with the costs and impact (rather than the most effective ways) of fighting corruption. One of the leading Asian scholars on good governance, Jon Quah, observes that in Asia the 'first pattern of corruption control is the simplest and also least effective, as it consists of anti-corruption laws that are not implemented by a specialized anti-corruption agency'.⁵ The second pattern of anti-corruption laws with multiple agencies, like the practice in India and the Philippines, is equally ineffective, but 'the third pattern of using an independent anti-corruption agency to implement the anti-corruption laws impartially', which is the case with Hong Kong and Singapore, is most effective.⁶ In South Africa's 'muddled' efforts to control corruption, a new comprehensive law has been enacted (6.2) with no provision made for this law to be implemented by any single department, state agency or constitutional oversight body. This is perfectly in line with the current approach of the anti-corruption initiative being arbitrarily managed by about a dozen different bodies within the public sector (6.4), thus raising serious questions about the efficacy of the national strategy. Curiously enough, the National Summit with foresight resolved that a single body be given 'the authority to effectively lead, coordinate, monitor

⁵ Jon S T Quah 2001, *Combating Corruption in the Asia Pacific Region*, in Gerald E. Caiden, O.P. Dwivedi and Joseph Jabbara (eds) 2001, *Where Corruption Lives*, Bloomfield, Conn: Kumarian Press, p 131.

⁶ *Ibid*, p 142

and manage the National Anti-Corruption Programme'.⁷ Besides most of the other summit resolutions that have been given careful attention, as we have seen (chapters 5–7), this one eventually led to the creation of a national structure, via the National Anti-Corruption Forum, but without any authority or executing powers (5.7). Whether in Asia or Africa, the conventional wisdom for effective good governance in controlling corruption is the same: a single agency mandated by law to combat and prevent corruption is the most obvious strategic choice.

The PSC review of anti-corruption agencies (6.4) might have called for greater co-ordination among existing agencies when it was written, but because such co-ordination has failed to materialize (apart from the ineffective ACCC, which comprises junior officials), at a time of increasing concern about corruption it behoves government to rethink its approach. If the possibility of rationalization is explored, it will open the door for closure of some operations and their relocation to a central agency. For example, the PSC has a chief directorate that is mandated to focus on high profile anti-corruption cases such as one involving the theft of medicines from state hospitals by government officials. Yet there were other investigations underway into the same matter by other state agencies when the PSC initiative began.⁸ Not surprisingly, this PSC unit has undergone three name changes over the past five years as it continues to wrestle with the unique function it should be performing. It is clearly due for either closure or relocation to NIA, with the budgeted 'costs' of this operation easily transferable to

⁷ Appendix IV.

⁸ OPSC/CD:PEHRR.

another agency. Both the SAPS and the NPA have units that deal with commercial crime, while both the DPSA and the PSC have units that deal with anti-corruption while reporting to the same minister. Both the SAPS and the ICD hold responsibility for investigating acts of police corruption. Such unnecessary duplication of services and mandates is costly to the taxpayer and amounts to irresponsible spending if it cannot be properly justified. Savings can be effected through rationalization, but it would require high-level intervention, from even the President, and disregard for the job insecurity fears of government bureaucrats, to become a reality.

With the introduction of anti-corruption units within departments, which, as we saw, tend to function quite inefficiently with low budgets (6:4), it makes little sense to further bolster their capacity and capability above a certain minimum level. If all departments and agencies of government were to engage in fighting corruption in the midst of widespread service delivery backlogs, a situation will prevail where over multiple institutions across the country will all be engaged in trying to fight corruption at the expense of other policy imperatives. To achieve the minimum standard, as required in terms of the PSAS, far more resources (financial and human) will have to be deployed for this purpose, but, as we saw, these are simply not available. Even if existing budgets are depleted, it may be more cost effective if all such anti-corruption units were closed down, and their resources transferred to a central agency. Such a single centralised operation should then assume all the anti-corruption functions that are being exercised by

the plethora of bodies and departmental units. The SIU, AFU, PSC, ICD and other such agencies have specifically designated functions that brought them into existence and should, for this reason, continue operating. A new independent anti-corruption organisation, established along the lines of Hong Kong's ICAC (4.6), but with a much smaller budget, will nonetheless provide an important and added boost to the confidence of the nation and foreign investors in government's intent to clamp down on corruption. It will send a positive signal to the entire world, for that matter, that South Africa is serious about protecting its hard-fought gains in democracy, justice and national reconciliation. The appointment of an individual with impeccable credentials to lead such a new initiative will be a critical decision, as such a person must operate without fear or favour, but enjoy the respect and admiration of all. Willem Heath was such a person, because when the arms scandal had broken (5.3), even Parliament was supportive of the SIU, which he led at the time, being jointly involved in the resultant investigation until Cabinet deemed otherwise. Perception matters, whether government accepts that or not, and the identification of the country's 'graft buster' for the future to assume Heath's mantle is a matter deserving urgent attention.

Of course, with the rationalization of the anti-corruption functions, which are being exercised by so many role-players in the public sector, spending on anti-corruption projects will then be undertaken by a single agency whose work should not be frustrated by a less than *adequate* budget. The National Treasury

may find it difficult to secure new allocations of revenue for such a new agency. For the national anti-corruption hotline, we noticed that very limited funding had been secured, although it was intended as a rationalizing measure (7.2). But parliament, which has final oversight over the budget, must ensure that the country is not robbed of the necessary resources to control something that is a menace to society and so detrimental to the public interest. This will probably lead to a situation of reduced costs to fight corruption (initially at least, as all other anti-corruption projects will either be amalgamated with the new agency or closed down) and possibly result in a more positive impact on society (at least in terms of public perception and investor confidence). It is beyond the scope of this study to establish on a scientific basis that such a single agency will in fact produce such an impact, make government's work against corruption more effective, and be more efficient than the present multi-agency approach. However, the evidence presented earlier in the case study suggests that the implementation of the national strategy against corruption is severely compromised by a lack of sufficient resources. The 'best practice' of Hong Kong, on the other hand, and the failure of the multi-agency approach in Asia generally strongly suggest the need for South Africa to reconsider its options in fighting corruption. Costs must as a rule not produce a negative impact, but neither should the pursuit of 'zero tolerance at whatever cost' towards corruption render government ineffective. The need for a *rational balance* to be sought where the basic steps of policy process are followed with particular attention to costs and impact is therefore the impinging challenge for the public sector of South Africa to

effectively fight corruption. This study has hopefully proved a convincing case for public officials to reconsider budgeting for the costs of fighting corruption in order to achieve a greater impact.