

## **We Must Defeat Corruption and State Capture**

An Open Letter to Sandile Zungu

Dear Sandile

In 2018, soon after you and I were respectively elected presidents of Business Unity South Africa (BUSA) and the Black Business Council (BBC), JJ Tabane invited us to a televised debate about business unity.

We both declined, preferring a direct engagement.

That engagement has yet to happen, and I now regret declining Tabane's invitation as I believe that it is in the public interest that we engage on the current state of black business, and business unity.

I write to you now, as a black business leader in my own right, firstly because I firmly believe that there can be no holy cows in our fight against corruption and state capture. Secondly, I'm aware that later in the week BBC will be holding its "Black Business Summit" an occasion that should afford honest introspection. And finally I am prompted by the public spat arising from what some senior ANC leaders are alleged to have said about the complicity of some black professionals – and, you might add, of some black business people -- to the crisis that afflicts not only our state-owned companies (SOCs), but also our state institutions in general.

Today our country is in a perilous state. And you and your cronies played no small part in that – so it is about time you confronted your ugly ghosts.

We are currently in the midst of a desperate fight by workers from various SOCs to protect jobs threatened by the consequences of many years of corruption, mismanagement and ethical collapse. A number of businesses that were heavily reliant on these entities for business either closed or restructured, losing many jobs. Many pensioners' money has been put in jeopardy through investments in unethical and corrupt businesses such as Steinhoff among many, as the PIC enquiry reveals every day.

What the nation has seen from the various commissions of inquiry established by the President, including the State Capture and Nugent Commissions, are revelations of a frightening brazenness in the systematic disablement of the state in order to facilitate wanton looting and theft.

Let's not mince our words, Sandile: The era of "money for jam", as you are alleged to have termed it, is what brought us to where we are today. It turns out "the jam" was only for corrupt Zuma cronies, it was grabbed from the desperate mouths of the destitute and marginalised black poor.

The BBC of your era brought utter shame to many of us who consider ourselves upright and scrupulous black professionals and business leaders. After all, you have been at the centre of it all. You took our black identity only to blemish us all. You represent neither me nor the many black people in whose name you insist on speaking. It is time you stopped. "Black Like Me"? No. You may be black, but you certainly not like me. Our different ethical compasses, it turns out, is what keeps us apart.

Although we read a lot about KPMG and Nkonki (which closed as a result), a number of audit firms – supposedly the bastions of good governance -- have been caught in often compromising positions with respect to their watchdog role, compromising the credibility of our market system. Advisory businesses that could previously be relied upon to help enterprises navigate their way to profit and success have often been caught with their hands in the cookie jar -- including reputable brands such as McKinsey and Bain, as well as emerging black ones such as Trillian and Regiments.

**How did we get here?**

It's clear now that you and Jimmy Manyi hijacked the proud, legitimate and noble cause of black economic empowerment — with disastrous consequences. The foundation of BBC can be traced to the relentless efforts of Dr Sam Motsuenyane's NAFSOC that was founded in 1969, and subsequently FABCOS which broke away from it, and a number of other sector specific black business formations that lobbied for reforms under apartheid to secure a level playing field for black business whose commercial undertakings were restricted on a racist premise.

Similarly, black corporate professionals, encouraged by reformist programmes initially introduced by US companies such as Ford Motor Company, established BMF to campaign for reforms to open up promotional opportunities for blacks. Subsequently, many black professional formations have emerged.

These came together following the unbanning of the ANC and at the dawn of a new democracy under the auspices of the Black Business Council with Patrice Motsepe as its President. Together with BSA, a white business formation, they represented business in all engagements with government. It was after the democratic government intervened, urging these two bodies to unite, that BUSA was formed as the voice of business.

When Zuma took office as the country's President, you, Manyi and a few others sought to take over BUSA in order to reposition business to prop up his agenda. In what was its most progressive step, BUSA nailed its commitment to transformation by electing a successful black business woman, Futhi Mthoba, who was nominated by the black women's auditing profession. She in turn appointed the first black woman CEO of the organisation, Nomaxabiso Majokweni. Just at that time you broke away and re-established BBC as a separate business formation -- ostensibly because BUSA was anti transformation.

Many of us who saw through your opportunistic agenda, refused to join you and instead supported the new black female leadership that beat you in an open and democratic election.

Manyi's and your agenda soon became clear as you were appointed Zuma's economic adviser and served on his committee on the restructuring of SOEs and the BBBEE Council among many structures he established and deployed you to. This undoubtedly placed you at the high table of the state capture project.

Through these positions, and with a complicit BBC platform, many incompetent and under qualified lackeys were appointed to boards or executive positions -- with adverse consequences for both the economy and the worthy agenda of black professional advancement. In the process, the depth of ethical black talent that refused to be part of your unscrupulous project that would have better served our cause was overlooked. Worse still a number of competent, experienced and professional black executives were removed from some of these roles in a mad rush to place pliant and gullible pawns of an unscrupulous agenda. Similarly, BBC became a body for the condonation, defence and justification of corrupt and unethical practices which whenever challenged were rebutted by cheap and flimsy allegations of racism.

The BBC of Jimmy Manyi and your era owe, if not anybody else, but black business and professionals, an account of your role in state capture and the corrupting of the state, the ANC and the broader liberation agenda. That is why, in 2016, I personally wrote and subsequently met the BBC leadership during Ntsele's tenure to urge you to use your proximity to Zuma to point out the devastating effects his corruption was having on the economy and the country.

Like the "apartheid era pimps", you all thought you'd quietly inform him of my "treasonous conduct". Little did you all know that I'd already made my disapproval of his corrupt leadership of our country known to him and done so publicly.

Some in business have put us to great shame for their role in this ugly specter of selling out our country. As you know, some of the more powerful are or were members of some of the business organisations that belong to BUSA. I'm pleased that a few have been exposed and I hope that even more will be.

Now it is your turn to confess, Sandile. After all some media reports locate you as the companion, if not a business partner, not only of Duduzane Zuma, but also the Guptas. A close confidante, they say, of the champion of that project - Jacob Zuma. What is your culpability for the state we find ourselves in today? If you have any respect, if not for anybody else, but the black business and professionals, you would use the occasion of the BBC Summit to come clean.

As you gather this week, I call on you to resolve to testify at the Zondo Commission on yours and your organisation's possible complicity in the state capture project, whether knowingly or otherwise.

As I urge you to testify, I do similarly to those who fill the ranks of our affiliates, to encourage them not to wait to be exposed, but to come clean.

Of course, this can only happen if you have a conscience. That is what prompted others in business to take the unusual step, in 2016 and 2017, of uniting with civil society to register their objection to state capture.

You were not there, and you were never going to associate yourself with that project because you were definitively on the wrong side of history. You may now have seen the error of your ways, which would be a welcome development. If that is so, then say so publicly and apologise for the blemish and shame you have caused the many black people who scrupulously built their businesses and professional standing through ethical leadership and a commitment to integrity.

I doubt that you have gone through much introspection, however. Because if you did, you wouldn't embarrassingly publicly parade your predecessor, Danisa Baloyi, as part of the black business delegation in international visits led by our head of state -- in the full knowledge that she's yet to account for allegations of embezzlement of funds from one of our SOCs. Surprisingly, both the said SOC and the Department of Transport are yet to lay charges for what was an obvious crime. The BBC's publicly announced enquiry died with your election. Does this mean you condone her conduct? If not, then use this opportunity to show resolution to act against corruption.

There can be no doubt that we need a formidable, credible, non-partisan and principled black business voice whose ethical foundations are beyond reproach that is at the service of its members and free from factional battles of political parties. This arises from the glaring fact that 25 years since democracy, black business and professionals remain firmly rooted in the margins of the economy. This is as much a failure of black business leadership as it is that of government. Such a champion of the black business agenda may choose to be separate or a part of an umbrella business body.

It starts with what some of the more credible among your current leadership recognise as the need for a paradigm shift that can only come about with a leadership untainted by the ugly past that the country is fighting hard to rid itself of. What you may not quite appreciate is that it starts with ethical leadership.

You will no doubt agree with me that the country would never have made the tremendous strides we have to push back the frontiers of State Capture and corruption without removing the chief architect of that agenda, Jacob Zuma. Similarly, a BBC led by unrepentant companions of that regime is not worthy of our confidence and public trust. I and many others are as uncomfortable in being associated with it as we would hanging out and having beer in the Saxonwold shebeen.

How can we not conclude, in the absence of an honest and candid account from you, in the face of publicly available information, that by electing you as its President, you project the BBC as having nailed its colors to the mast of corruption and state capture that became the hallmark of the discredited Zuma regime?

Government and some in business have been in the forefront of a corrupt conspiracy against our nation. Consequently, our expectation of a clean up from the state and the broader polity; and the restoration of good governance extends similarly to business formations including the BBC. There can be no holy cows.

In ending: I trust that you will share this letter with members of the once esteemed organisation that BBC used to be and register my earnest appeal that we reclaim this organisation from the vestiges of the state capture project and align it with the renewed efforts to reposition our country and regain public trust. To this end I will be happy to meet with you and your leadership to chart the way to reclaiming our steps.

Should you fail to do this, I challenge those among us who believe it possible to advance a black business agenda without being corrupt to reflect on what we do next to reclaim our true identity and dignity. Undoubtedly, the moment demands of us, particularly as black business and professionals, through our organisations and or individual capacity, to take a firm stand against corruption and state capture. Should we fail to do so, then we must accept our complicity in horrible and ugly crime of corruption and brazen self aggrandizement

Yours Sincerely

Sipho M Pityana  
Writing in his personal capacity