

AN ABOMINATION - AGAIN

Playing Fast and Loose with State Resources

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While some would call it a confession, others have referred to it as a disclosure. Newly-minted Energy Minister, Mmamoloko Kubayi, revealed to a Parliamentary Portfolio Committee on 2 May 2017 that South Africa's strategic oil reserves were sold and not 'rotated' by her predecessor Tina Joemat-Pettersson, leaving the country reeling, yet again.

When the story broke almost six months after the sale of the 10 million barrels of crude in December 2015, then Energy Minister Joemat-Pettersson dismissed media enquiries as silly nonsense and that 'rotating' old stock of crude oil had a precedent way back when. There was little more concrete information forthcoming from her before she tossed the Strategic Fuel Fund (SFF), a unit of the Central Energy Fund (CEF), into the fray. The Department of Energy, as the largest shareholder of the CEF, was simply following the orders of its principle, the Minister.

The maths notwithstanding, the magnitude of the action is audacious. The absence of consultation, research and approval - not least from the appropriate Portfolio Committee in Parliament, the Minister of Finance, and Treasury - is testament of how certain public officials have played fast and loose with the lives of people and the resources of the country, and gotten away with it.

A detailed investigation and report from Fin24 (23 August 2016), details the temerity with which "the country dumped its oil reserves at \$28 a barrel, at least \$10 below the market price ruling at the time". The article goes on that "there is no international precedent - to our knowledge this is the first time any nation on earth saw fit to expose itself to actually having no oil reserves".

The price of crude doubled over the next few months and the country has had to buy back crude at a much higher price, with its downstream impact being felt by mainly the poorest of the poor.

In an investigation of the transaction by the Auditor-General at the end of 2016, the deal was declared illegal for want of approval by the Minister of Finance and crucially too because it contravened the *Public Finance Management Act*, which expressly details procedures for the safeguarding of public assets. That the then Minister blatantly lied about recouping R5 billion from the sale when in fact the state received only R3.9 billion is disturbing in the extreme. The public awaits further investigation in the difference in the sums.

All the above, plus the 'Nuclear Deal', the SASSA debacle, the Arms Deal, the Nkandla tale among others, point to a country where capture of resources for personal gain, power and influence has been sacrificed over the interest of citizens. Patronage and looting of the state



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is the course of choice and the crisis of governance is dismissed as acts instigated and motivated by racist and white monopoly capital.

That these arguments by a political cabal are wearing thin is notable. Civil society, the Judiciary and elements in the ruling party, its alliance partners, opposition parties and the media have in word and action demonstrated that the public is not nor will be inured to the attempts to dilute the Constitution, reduce every criticism of the crisis in the country to a race issue nor withdraw from the demand that accountability and transparency must remain a norm, not the exception. That corruption is a cancer eating away at the fibre of the country, not a figment of the imagination of detractors of radical economic transformation, is also true.

The congealing cords of despair, driven by a broken politic and an economy atrophying must be resisted. There is far too much to savour and save in South Africa, not least the impulse by most in the country to live in peace, with respect and enjoyment of the rich diversity we find ourselves amongst. That the power and values of the Constitution remain the vital touchstone on which to build the future of the country is crucial, while acknowledging the complexities of the transition to democracy, which remains a work in progress.

That eight of the country's leadership Foundations deemed the crisis large enough to launch a National Dialogue is testimony to both the fact that something is seriously wrong, as well as that the Constitution and its values are the only way out of this quagmire.