

Nene and the complex truth of state capture

By [Judith February](#)

8 Oct 2018

The Zondo Commission of Inquiry's slow reveal has gripped South Africans. The 2016 public protector's report on state capture was revelatory but seeing the testimony in real time exposes more fully the grave impact of grand corruption on governance.



Finance Minister Nhlanhla Nene

Finance Minister Nhlanhla Nene's testimony last week was somewhat different to what we've heard so far. He is a cabinet minister and his evidence places former president Jacob Zuma at the very centre of the state capture narrative. But Nene's testimony also happened in different circumstances to others called to the commission.

Before Nene took the stand, Economic Freedom Fighters leader Julius Malema was already tweeting that Nene was 'corrupt as hell'. Malema had for a while been making cryptic comments impugning Nene's integrity.

When Nene finally had an opportunity to tell his side of the story, he began with Zuma axing him in the most uncereceremonious of ways on 9 December 2015. A veritable night of the long knives.

It all came down to Zuma's insistence that Nene sign off on a reckless R1.45trn nuclear deal, which government consistently claimed South Africa needed. His refusal to support this policy folly resulted in Zuma firing his finance minister 'in two or three minutes' according to Nene.

South Africa owes Nene a debt of gratitude for standing his ground. The nuclear deal would have stripped the country's finances, with dire repercussions for generations to come. Nene deserves the credit for acting as a custodian of the public purse at a crucial time.

Citizen activism was also key to stopping the nuclear deal. In April 2017 the High Court set aside two determinations by then energy minister Tina Joemat-Pettersson that were to lay the basis for future nuclear procurement. The application, brought by civil society groups, sent the nuclear deal back to the drawing board.

The court declared the deal 'unconstitutional and unlawful' because there was no public participation in the process. The nuclear arrangement was shrouded in secrecy from the start, and with Nene's testimony to the Zondo Commission we now know why. Nene told Judge Zondo that Zuma was a prime mover behind the deal and possible pay-offs from the Russians and others.

The Zondo Commission now requires Zuma to give his version of events under oath - something he has been loath to do. Testimony from the former president will be a pivotal moment for the commission indeed, but the web of corruption extends well beyond Zuma.

The EFF it seems may well place evidence before the commission indicating that Nene himself was 'captured'. Thus far nothing has been tabled to suggest that this is the case. Whether Malema is flying a kite or distracting us from allegations of corruption levelled against himself, remains to be seen.

However, on the weekend media reports surfaced about Public Investment Corporation (PIC) funds allegedly requested by Nene's son, Siyabonga Nene, to finance a palm oil refinery in Mozambique. At the time, Nhlanhla Nene was deputy finance minister and chair of the PIC, so the allegations leave a rather sour taste.

This is worrying considering that some of Nhlanhla Nene's testimony at the Zondo Commission suggests inconsistencies. He admitted to meeting the Guptas as many as six times but denies anything material happened at those meetings. He had previously told a television news reporter that he had only bumped into the Guptas.

Given Nene's pivotal role in ensuring South Africa's fiscal discipline, fixing a moribund economy, and reining in errant cabinet colleagues as regards expenditure, he needs to be beyond reproach. His testimony last week left some uncomfortable questions which must be answered - and quickly - if President Cyril Ramaphosa's economic plans are to bear fruit.

The credibility of the finance minister is key to any economic 'new dawn'. If indeed Nene played a role in the PIC loan, Ramaphosa will be faced with a conundrum. The long haul of cleaning up after Zuma gives South Africa clearer insight into the corruption of that time and how it still infects our present. It also shows the deep policy - and possibly legal and structural - changes that will be needed to ensure it is stopped.

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