Does Economic Restructuring during Covid-19 in South Africa amount to Disaster Capitalism?

Casper Lötter
https://orcid.org/0000-0001-7787-1419
North-West University, South Africa
casperlttr@gmail.com

Abstract

I explore the ANC government’s cadre-based (BBBEE/Broad-based Black economic empowerment) narrative in restructuring the economy amidst the pandemic, as an ideological vehicle to achieve an unstated nefarious purpose. The narrative that I aim to capture through the lenses of Naomi Klein’s “pyrrhic defeat theory,” is built around the fictitious idea of Black economic empowerment. Ultimately it serves as a vehicle for fraudulent personal enrichment by politicians and well-connected tenderpreneurs. This double theoretical vision is meant to augment and explain the opportunity that the Covid-pandemic provided for its exploitation as an example of disaster capitalism. I traverse the events which led to the current global pandemic as well as the way or ways in which a faction within government and its institutions has generally colluded with Big Business to profit from it. I consider the South African government’s initial response to the pandemic as well as the ways in which such a response morphed into a self-enrichment scheme under the guise of BBBEE. This remains plausible even if one concedes that this purpose was not by original design or is solely driven by a faction within the ruling party. This discussion is preceded by an overview of the VBS Mutual Bank fraud scandal, foreshadowing my demonstration of how the pandemic proffers an opportunity for the RET-group within government to transform into a criminal shadow state as a going concern. In conclusion, I draw on the Covid-19 experience to suggest lessons for the future economic management of pandemics.

Keywords: Black economic empowerment; pandemic restructuring; the economy; ideological vehicle; nefarious purposes
This picture [the prospects of Ramaphosa’s presidency] becomes complex in the sense that the more Ramaphosa achieves what he promised in government—for example, fighting against corruption—the more tensions emerge within the ANC, making it difficult for him to win a second term in the party. That Ramaphosa’s anti-corruption drive in the government is creating enemies for him in the party is an open secret. (Ralph Mathekga 2021, 110–111)

To have once been a criminal is no disgrace. To remain a criminal is the disgrace. (Malcolm X)

Introduction

The well-known Slovenian philosopher and Lacanian psychoanalyst, Slavoj Žižek (2020c) argues that the hysterics around the Covid-19 pandemic are suspicious, as previous pandemics that have killed more people have received less mainstream attention or noise. He suggests that facts end where the ideology surrounding them begins, namely the unexamined racist connotations of the rhetoric that aims to “quarantine” the “Chinese.” This sentiment is fuelled, in part, by our fear and envy of their unprecedented economic dominance amid the recent and ongoing decline of the West.

Taking my cue from Žižek, I argue that the ruling party in South Africa aims to employ a similar cadre-based, albeit racist, narrative in restructuring the economy amidst the pandemic as a vehicle to achieve an unstated nefarious purpose. With their cadre-based deployment policy married to BBBEE, the ruling party is discriminating against all those communities (both White and non-White) not aligned with ANC thinking, but it remains essentially racist since the membership of the ruling party is overwhelmingly Black (Johnson 2017, 107, 257–267; Mathekga 2021, 28 and 51; Mlamla 2021; Roodt 2021). Chipkin and Swilling (2018, ix–x) suggest that this “power elite” refers to “a new Black business class in the making” (my emphasis). In this respect, note the populist refrain “White capitalist monopoly” coined and widely employed by the pro-Zuma faction (Chipkin and Swilling 2018, xxii). The rationale behind this racist, discriminatory design is, of course, to feed the vast patronage network within the ANC. In this contribution, I argue that the economic restructuring during Covid-19 (with reference to the procurement of PPE and the roll-out of the much-punted vaccines) answers to such nefarious repurposing.

The narrative that I refer to is built around the ambitious and commendable idea of Black economic empowerment, but ultimately serves increasingly as a vehicle for the fraudulent personal enrichment of politicians and well-connected tenderpreneurs. To explain this phenomenon more clearly, I explore the well-documented VBS Mutual Bank (hereafter VBS) fraud scandal—a valuable case study for a well-traversed modus operandi of rent-seeking criminal governance (that being corruption or outright theft) that serves as a blueprint for the ongoing looting by politicians, to be found in post-apartheid South Africa. This investigation operates similarly to how the evidence-rule
in South African criminal proceedings (Zeffertt and Paizes 2010, 89–98) is used to prove criminal conduct based on a particular illegal *modus operandi*.

I argue that the VBS fraud scandal is the blueprint for many such looting sprees under the cloak of supposed Black empowerment, but which, in fact, is intended as a vehicle for personal enrichment of the rich and powerful in South Africa. I contend that this scheme has all the makings of a corrupt-prone self-enrichment Ponzi scheme. In so doing, I will use the valuable idea of disaster capitalism, first proposed by Naomi Klein, read with Reiman’s pyrrhic defeat theory, to explore this phenomenon.

It has, however, also been an excellent opportunity for the ANC to destroy and rebuild the economy by means of a cadre-centred Broad-based Black Economic Empowerment (BBBEE) trajectory, which I will be exploring in this contribution. I argue that the South African government’s BBBEE agenda has in most cases (there are exceptions to the rule and the original idea is legitimate and unquestionably justifiable [Basson 2019, 50]) been hijacked by at least a faction within the ruling party as a pretext for the large-scale looting of the public purse, an argument that I will substantiate by employing a critical criminological perspective. Even before Covid struck South Africa in February 2020, the country was already suffering from a number of debilitating challenges, such as rising unemployment, high levels of corruption and crime, as well as income and ownership inequality. The pandemic has also, as South Africans know, greatly exacerbated these conditions. I suggest that this proposed economic restructuring, being an aid to loot by way of organised crime during the Covid-19 pandemic, is a topic that remains largely unexamined.

In what follows, I first navigate the events that led to the current global pandemic—namely, a neo-colonial capitalist overreach. Briefly, the onset of the industrial revolution in Western Europe in the late 17th century, which inspired the European version of modernity, led to sharply armed colonising of large parts of the globe to gain raw materials and access to foreign markets (Jacques 2012, 29–54) concurrent with economic globalisation. In South Africa, an effort at African re-colonisation in the 21st century is provided by the recent (December 2021/January 2022) seismic blasting exploration off the Transkei Wild Coast by the Shell Oil Corporation (a transnational corporation [TNC] headquartered in the Netherlands) without bothering to either consult the coastal communities affected or to meaningfully consider its environmental impact (Carlisle and Loewe 2021). Secondly, I give a brief overview of the VBS fraud scandal, which I intend to use as a case study foreshadowing, thirdly, my demonstration for how the pandemic became an opportunity for government, or at least a section within government, to restructure the economy not in the interests of all, but rather a tiny minority, under the guise of Black economic empowerment. Space precludes me from ventilating the nuanced possibility that the seriousness of the Covid-19 pandemic has been exaggerated (unlawfully and illegally) for reasons of profit, once again. Likewise, Pat Carlen (2005, 83) argues that “a critical criminology must try not only to think the unthinkable about crime, but also to speak the unspeakable about the conditions in
which and by which it is known.” I have similarly attempted to “think outside the box” through this contribution. I proceed to briefly explore the extraction regime of unapologetic looting of the Earth’s resources in the run-up to the pandemic. The purpose of this section is to sketch in broad outlines the conditions that led, at least in part, to the so-called pandemic. This will feed into a discussion of the VBS scandal and, following this, the government’s response to the pandemic in South Africa.

The Run-up to the Pandemic

Recent research has indicated that SARS-CoV-2 is almost certainly the result of the evolutionary confluence of several coronaviruses (Child 2020; Hayes 2020). It is also beyond doubt now that the virus was sourced from bats and subsequently manipulated in a lab to be specifically susceptible to human devastation (Kormann 2021), although the issue is admittedly still far from being settled in scientific circles. This debunking of a popular myth concerning the origin of Covid-19 is necessitated by more than merely a conspiracy theory—it also unearths a defence mechanism against the charge that humans have overreached their justifiable presence on planet Earth. Even the most recent findings by the Oxford University (2021) vaccine research group, that the vaccine prevents two-thirds of transmission, does not injure the nub of my argument. For the sake of readers in the distant future, Covid-19 was a flu-like infection that claimed the lives of millions of people around the globe, and was first detected in the central Chinese city of Wuhan during November 2019—hence the name “Covid-19.” The coronavirus, known as SARS-CoV-2, one of several coronaviruses known to man, causes the disease Covid-19. The Covid-19 pandemic also caused untold disruption in supply-chain management and socioeconomic activity, and led to massive unemployment, hunger and poverty, especially in the Global South.

I argue that humanity’s intrusive (and largely unapologetic) capitalist-industrial exploitation of our common natural resources has, in part at least, facilitated the spread of viruses such as SARS-CoV-2, Ebola as well as SARS—a situation that will only escalate in the years to come, as a backlash from nature itself (Klein 2007, 2015; Weston 2020; Žižek 2020a, 2020e). I note the destruction of rainforests in Brazil, among other locations, for the growing of palm oil and soya beans (Mol 2017; Nuki 2020), the latter of which is exported to China to satisfy its great demand for pork. Germaine (2017, 72) refers to phenomena such as these (Covid-19 and so on) as nature’s “blowback,” while Kovel (2007, 97–98) laments the despicable manner in which capitalism has set out to annihilate our “near-relatives,” bearing in mind that “humans, redwoods and slime moulds all indicate a common ancestor.”

In this regard, both the neo-Darwinian evolutionary biologist, Richard Dawkins (2005), and the philosopher of hermeneutics, Hans-Georg Gadamer (2004), argue from their respective disciplinary perspectives that the belief in humanity as the telos of creation (known as anthropocentrism) is a myth, albeit persuasive. Thompson’s (1990, 7) definition of ideology as “meaning in the service of power” is a very apt description of myths such as anthropocentrism, which has been employed in the service of the highly
successful neocolonial agendas of TNCs. In this respect, Žižek (2020d) suggests that “[w]hat we see now is a massive return to the original literal meaning of the term: viral infections work hand-in-hand in both dimensions, real in [sic] virtual.” This is, of course, a reference to the overlap between Covid-19 and cyber-warfare.

This last observation takes on particular significance in light of Noami Klein’s (2007, 2015) famous thesis on “disaster capitalism.” Klein (2007, 6) reframes the Chicago economist Milton Friedman’s fundamentalist version of free-market capitalism as “orchestrated raids on the public sphere in the wake of catastrophic events, combined with the treatment of disasters as exciting market opportunities.” She contends that, whereas some people stockpile water and other necessities in anticipation of disaster, Friedman’s disciples pounce on every opportunity to unfetter the market:

Once a crisis has struck … it was crucial to act swiftly, to impose rapid and irreversible change before the crisis-racked society slipped back into the “tyranny of the status quo” … The bottom line is that while Friedman’s economic model is capable of being partially imposed under democracy, authoritarian conditions are required for the implementation of its true vision. (Klein 2007, 6–7, 11)

Klein’s notion of disaster capitalism has an interesting practical relationship with Manuel Castells’s (2010, 445–448) “network society” and “spaces of flows,” as well as Žižek’s (2020d, 2020e) literal and virtual viruses. By the same token, the skewed nature of the criminal justice system has received an added moment to its understanding of “conventional” crime by Jeffrey Reiman, a conflict criminologist based in the US. Reiman (1990) coins the term “pyrrhic defeat” to explain the aim and function of the criminal justice system as the indirect legitimation of the existing inequitable and unjustifiable economic systems embedded in inordinately unequal societies. As I noted in the introduction, South Africa has been called out as being at the top of its class in terms of income and wealth inequality (Piketty 2015).


Whereas a pyrrhic victory is a victory achieved at such cost that the outcome hardly matters, according to Reiman and Leighton, a pyrrhic defeat is a defeat in name only because the resultant defeat was the very purpose of the exercise. The criminal justice system is intent on such a defeat since the demonisation of the poor as criminogenic serves the idea of diverting attention away from the monstrous corporate crimes committed with the state’s collusion, or the crimes of the state itself. Colin Leys (2008) lends support to Reiman and Leighton’s narrative by uncritically suggesting that national governments have, since the 1970s, increasingly fused their policy with that of
Big Business to the extent that policy formulation specifications (a form of tender-fraud or tender-rigging, as noted in the context of Bosasa’s corrupt relationship with DCS [Lötter 2020b]) could be considered “out-sourced.” This suggests a confluence between green and southern decolonial criminology (Cunneen 2018; Goyes 2018). Colin Crouch (2004, 4) has weighed in on this debate by calling this so-called “post-democracy era” a “spectacle of the electoral game,” as noted above. In the perceptive words of Noam Chomsky (2021), the idea of representative democracy is an illusion.

Similarly, the internal struggles within the ruling party have demonstrated that the government is deeply divided, even though the scourge of cadre deployment, looting and management of patronage networks have become less prevalent since Ramaphosa took office in early 2018. The divisions and the tensions within the ruling party, however, have not played out with a reform-minded Ramaphosa on the one hand and the Zumaist Radical Economic Transformation (RET)-faction on the other (Mathekga 2021, 15 and 26). Indeed, the insurrectional events of mid-July 2021 (Neethling 2021) suggest that the current government and key institutions of state have survived the immediate threat, at least for the moment. Certainly, the many exceptions of honest and dedicated people within government and the ruling party (such as Raymond Suttner, who served many years in apartheid prisons, former ANC MP Dennis Bloem, Minister of Correctional Services Ronald Lamola and Ronnie Kasrils, to mention but a few) are overwhelmed and deeply saddened by this tendency within a certain faction or factions of the ruling party to loot or engage in rent-seeking. To reverse and counteract historical disadvantages among South African Black people, Broad-based Black Economic Empowerment (BBBEE) is a government policy designed and envisaged to jumpstart economic transformation and enhance the economic participation of Black people (as previously disadvantaged persons of colour who are South African citizens) in the economy of South Africa (Mathekga 2021, 11–12; Norton Rose Fulbright 2018).

According to Norton Rose Fulbright (2018), “The history of South Africa has resulted in an economic and opportunities disparity based on race and has resulted in many Black people in South Africa not enjoying the same opportunities and so being substantively equal to the remainder of South Africa.” In order to correct this imbalance and advance the fundamental objective of economic transformation, the South African government enacted the Broad-based Black Economic Empowerment Amendment Act, 2013 (Act No. 46 of 2013 [Republic of South Africa 2014b]), signed into law on 27 January 2014, which legislation provides for the issuing of BEE certificates (ensuring majority Black ownership) for any company vying for government contracts (Republic of South Africa 2014a). The issue of BBBEE is complicated by at least three factors.

Firstly, as a result of the ANC’s policy of “democratic centralism,” i.e., autocratic decision-making, adopted in exile in Tanzania during 1969 (Mathekga 2021, 10 and 12), specific policy decisions—of which BEE is a case in point—could not be debated or ventilated at a later stage, even if there is a need for them to be re-evaluated at some point (Mathekga 2021). Secondly, the collapse of service delivery on national,
provincial and local levels in South Africa coincided with the intensification of the transformation project (affirmative action, BEE, etc.), but particularly the objectives enshrined in BEE (Mathekga 2021, 16). This meant that the practice of “democratic centralisation” within the ANC makes changing course on BEE so much more difficult, if conceivable at all. Thirdly, the tendency of senior members of the ruling party to do business with organs of the state without appreciating the obvious conflict of interest, led to the establishment of deep-rooted networks of patronage (Johnson 2017, 257–267; Mathekga 2021, 28 and 51). The confluence of these three strands of thinking in the ruling party’s policy formulation led to a situation where policy direction is not open to ventilation and debate, as Ralph Mathekga (2021, 16) contends:

[By casting every aspect of these policies as a non-negotiable that is not subject to critical evaluation by anyone, the ANC created an environment that could be exploited by unscrupulous actors, from inside and outside the party. Under the guise of BEE, one could get away with almost anything.]

I argue that the procurement of PPE (personal protective equipment) and the roll-out of vaccines, discussed in greater detail below, fell into this trap. The people who benefited from this were well-connected cadres or senior members of the party, well-oiled to do business with government entities, toxic as this relationship might be to outsiders (Mathekga 2021, 50–51). This phenomenon might justifiably be referred to as cadreship culture. Examples are not difficult to find.

Conflicted Cogta-Minister (Cooperative Governance and Traditional Affairs) Nkosazana Dlamini Zuma (with links to illegal tabaco tycoons Adriano Mazotti and Edward Zuma [Lötter 2020a, 116]) and the disgraced former National Minister of Health Zweli Mkhize (whose son and daughter-in-law benefited from a 150-million rand “covid-communication contract” awarded to friends [Baloyi 2021]) come to mind. Even Ramaphosa’s (former) spokesperson, Khusela Diko, was implicated through a firm owned by her late husband, Thandisizwe Dikostant, whose company Royal Bhaca, benefited from multimillion-rand tenders from the Gauteng Department of Health for the procurement of PPEs. Diko’s contact at the provincial department of health was (former) health MEC Bandile Masuku, with whom she is friends (De Klerk 2021). Judging by the Special Investigative Unit’s (SIU) report, as I note below in the section on “Economic Restructuring during Covid-19,” these three aforementioned cases represent but the tip of the iceberg. “[D]ecisions [were] made to serve the patronage networks flowing through the ANC,” Mathekga (2021, 50–51) contends, which benefit “the interests of an elite group of party officials and businessmen.”

I should, however, briefly interject that government’s complicity with Big Business has weakened the distinction between so-called “legal” and “illegal” “crime.”

By way of example, according to Antonio Maria Costa, head of the UN Office on Drugs and Crime, after the 2008 global recession, hundreds of billions of dollars in drug moneys saved many banks from collapse as these “proceeds of crime” were “the only
liquid investment capital” available and could be considered to be effectively laundered (The Guardian 2009). Another tragic example is that of Zimbabwe, where the ruling party has fused its agenda completely with that of illegal cartels (President Emmerson Mnangagwa himself having been fingered as a crime boss) and routinely strips the nation’s natural resources (notably gold, platinum, diamonds and tobacco) with so-called “illegal” or unaccountable exports worth billions calculated to equal half of Zim’s GDP, depriving the country of much needed taxes (Heywood 2021). Clearly, the state’s power to criminalise behaviour favours its own dark agenda considerably (Chambliss 2013; Young 2011).

In this respect, Steven Box (2013, 289) provides the following valuable insight, which he expresses in the following apt words:

Maybe what is stuffed into our consciousness as the crime problem is in fact an illusion, a trick to deflect attention away from other more serious crimes and victimising behaviours which objectively cause the vast bulk of avoidable death, injury and deprivation. (Emphasis in the original)

For example, even though the rich and powerful have caused the pandemic, if at least in part, by their relentless exploitation of nature, it is the poor and most vulnerable that are far more likely to contract the virus than the wealthy with access to first-class medical care and facilities. Certainly, the least fortunate will not be first in line for the best vaccines (assuming they want them). In the ironic words of Rebecca Henderson (2020a): “As the skies clear and early research suggests that the reduction in fossil fuel pollution is saving lives, the costs of continuing to rely on dirty energy have become much more tangible.”

With this background of an example of the workings of an extractive regime in mind, I next consider the VBS fraud scandal as a brilliant case study of the manner in which the public purse is repeatedly looted in post-apartheid South Africa. This case study is proffered, noted above, as a blueprint of the modus operandi employed by the new class of tenderpreneurs in post-apartheid South Africa (since at least 1994) indulging in rent-seeking and extraction for personal gain whilst flying the flag of Black economic empowerment.

VBS Fraud Scandal

VBS (Venda Building Society) is a South African mutual bank begun in the early 1990s whose mandate at the outset claimed to assist Black homeowners of communal property with financing (Van Rensburg 2020, 1). Mutual banking is not a well-regulated sector of the banking industry and is unable to provide the full bouquet of services that commercial banks are able to do. Controversially, in September 2016, VBS gave former President Jacob Zuma a loan of R7.8 million to refinance his Nkandla homestead after the erstwhile Public Protector, Thuli Madonsela, ruled that a percentage of Zuma’s security upgrades to his private home (as head of state) had not been adequately vouched
for and had to be repaid (Mathekga 2021, 96; Van Rensburg 2020, 75–76). This exercise, however, proved to be a valuable public relations move in placing the bank on the map as a vehicle for Black economic empowerment (Mathekga 2021, 96; Van Rensburg 2020, 75–76).

Even though VBS did not have clearance to accept funds from municipalities’ operational budgets, it was greatly aided by the bank’s innovative marketing angle, namely its supposedly having been a champion of driving African Black economic empowerment (Motau and Werksman Attorneys 2018, Van Rensburg 2020). As it turned out, this marketing strategy was nothing if not a Ponzi-scheme, which raked in billions of municipal investments illegally (Van Rensburg 2020, 1–3).

In truth, a great deal of these public funds went to politicians and other “spotters” who could attract investments to VBS and/or help keep this money in the bank’s vaults for as long as possible (Van Rensburg 2020, 115–116). As a pyramid-scheme (Van Rensburg 2020, 3) it attempted to hold on to the investors’ money for as long as possible, and it only paid out on demand for repayment so as to not raise suspicion. Many politicians (including Malema and his assistant Floyd Shivambu) as well as other high-flying business connectives “found themselves being implicated in bankrupting a mutual bank whose clientele was almost exclusively poor, working Black communities” (Mathekga 2021, 95). I argue that this narrative—the mantra of Black economic empowerment doubling as a false flag operation while, in reality, it is ideological hogwash for an agenda of looting and rent-seeking—is the blueprint serving similar fraudulent schemes of personal enrichment during economic restructuring of Covid-19 in South Africa.

Dewald van Rensburg (2020, 2) suggests that VBS captures the imagination of the public because it involved “outright theft to fuel an almost absurd level of conspicuous consumption.” This betrayal of public trust was also a good example of what Stiglitz calls wealth exploitation rather than wealth creation. Said in another way, public money was fleeced and redistributed to politicians and other role players who had no claim to it and yet were more than happy to feed glutinously at the trough. VBS represents a good example of what Stiglitz (2019a, 49–52) calls wealth exploitation rather than wealth creation, similar in design to the economic restructuring during Covid-19.

I argue that once VBS saw the opportunity to repurpose itself as a vehicle for Black economic empowerment after its engagement with Zuma (noted above), its modus operandi (a pyramid scheme acting under a false flag operation for personal enrichment) became the blueprint for subsequent fraudulent schemes in South Africa that culminated in economic restructuring during Covid from March 2020 onwards. This represents a form of disaster capitalism (Klein 2007) but with the tweaking that it was done under the pretext of government policy, namely BBBEE, while in reality, it amounted to fraud by way of inflated prices and tender-rigging, among other irregularities. In the perceptive words of Willem de Haan (1991, 208), “what we need is not a better theory
Indeed, as Stanley Cohen (1973, 624) points out, the harmful behaviour of the wealthy and powerful are not even recognised as being crimes. I will demonstrate that the ruling party’s efforts to restructure the South African economy amidst the Covid-19 pandemic is a fraudulent pretext under the false banner of Black economic empowerment. At the time of writing, President Ramaphosa had just received the report on Covid-corruption from the Special Investigation Unit (SIU) and he was reportedly in the process of considering its contents (Simpson 2022).

**Economic Restructuring during Covid-19**

Meanwhile, South Africa’s brutal lockdown at the end of March 2020, which even resulted in a ban on tobacco and alcohol, was one of the harshest in the world (Deochand, Mafuma, and Baduza 2020; Githahu 2020; Rumney 2020). The South African government’s response to the global outbreak of Covid-19 at the end of February 2020 was not only to order a general lockdown to slow the spread of the virus, as was the case with most countries in the world following the Chinese model, but also to establish a Solidarity Fund to assist business and the general population with funding to bridge or limit the economic devastation caused by the pandemic. Finally, Ramaphosa also declared a national state of disaster and announced the establishment of a controversial National Coronavirus Command Counsel to issue regulations under the National Disaster Management Act, Act No. 57 of 2002 (Republic of South Africa 2002), to co-ordinate and regulate government’s response to the pandemic.

According to Bloomberg’s Covid Resilience Ranking Index, a measure of the best places to be in the coronavirus era, South Africa is considered the second worst country to be in during the Covid-19 pandemic (Hong, Chang, and Varley 2021). The South African lockdown’s resulting stagnant, and even occasionally negative, economic growth compounded an already dire (and rising) unemployment rate (of at least 40%, according to R. W. Johnson [2017, 108]), high levels of deepening inequality as well as race-based social incoherence and considerable racial tension, as well as caused the closure of many businesses. It has been suggested that this lockdown enabled criminal networks dealing in illicit tobacco and alcohol to more greatly prosper at the expense of so-called “legitimate” dealers (Naidoo 2020), even if the allegation that “Nkosazana Dlamini-Zuma … may have links with Adriano Mazotti and Edward Zuma, alleged barons of the illicit tobacco world” (Lötter 2020a, 116) is mere unsubstantiated rumour. It is telling that Chipkin and Swilling (2018, xii) are at pains to distinguish between “the ideological goals and the real intentions of ANC documents.” To achieve these goals, the so-called “repurposing” of SOEs is the gold standard.

In addition, after a disastrous national distribution of personal protective equipment (PPE), which was plagued by nepotism and large-scale corruption (Mlamla 2021), President Cyril Ramaphosa announced that the vaccine roll-out in early 2021 would be overseen by his deputy, David Mabuza. The latter has a colourful career, which includes a rash of accusations of corruption and maladministration during his tenure as Premier of Mpumalanga Province (Rossouw 2020). Roll-outs of both PPE and the vaccine were
also enacted within the framework of BBBEE, namely not on merit or even qualified merit but supposedly solely on the criteria of being a cadre. One can, therefore, only marvel at Ramaphosa’s lapse of judgment in appointing so many compromised individuals to such sensitive portfolios—unless this show of ineptitude was by design. An alternative, more nuanced view would be to foster some understanding for Ramaphosa’s difficult position in managing a “broken” party and government thoroughly and compromisingly packed with many elements of the RET-factions, which he unwillingly—albeit powerlessly—inherited from his Zumafied predecessor (Mathgetla 2021, 19, 29, 195, 109, 111). Already the Black Business Chamber has called on the ruling party to ensure that its members receive a notable share of the profits made from the latest (vaccine) roll-out (Haffajee 2021). Mbembe (2003, 14) refers to this disturbing phenomenon of wealth exploitation, albeit in a different context, in the following words:

My concern is those figures of sovereignty whose central project is … the generalized instrumentalization of human existence and the material destruction of human bodies and populations.

This sharp observation of the human condition ties in with Piketty’s thinking. In his latest mammoth offering, Capital and Ideology (2020), Piketty contends that every unequal regime must somehow ideologically justify its social, political and economic arrangement (whether ordained by God or predicated on meritocracy) so as to forestall social unrest and political upheaval—although this is hardly a fresh insight, since the Italian communist, Antonio Gramsci, pointed this out in the late 1920s. Consequently, I argue that both national roll-outs—those of PPE and the vaccine—are being used to promote the government’s narrative of Black economic empowerment, which largely serves as a tool for the self-enrichment of a few. Karl von Holdt (2019) suggests persuasively that BBBEE has failed to economically empower Black South Africans and has rather resulted in endemic “corruption,” somewhat levelling the playing field between historically privileged White people and previously disadvantaged Black people. Said differently, this climate of extreme “corruption” in South Africa is being justified by the emergence of a strong Black middle class. So, the spirit of Von Holdt’s notion is that this emerging Black middle class need not be apologetic of the means to their ends, as their supposedly White accusers\(^1\) were themselves descendants of thieves who exploited indigenous Africans as colonisers, having been driven by an extractive mentality with precious little thought to their cruel subjugation of the natives found in

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\(^1\) Curiously, the situation is more complex than this simplistic statement would suggest. Zuma’s kleptomaniac so-called “nine wasted years” left such a bad taste in the mouth of many baseline ANC supporters, the vast majority of which were/are invariably Black voters, that the Gauteng chapter of the party purposely decided not to place uBaba’s face on their posters for the 2016 local government (municipal) election (News24Wire 2016). Matkekga (2021, 130) contends that “[t]he ANC in Gauteng felt it could only survive if it defined itself clearly against corruption.”
the hinterland. The pros and cons of Von Holdt’s compelling argument have also been summarised as follows:

The value of his contribution is that it introduces complexity in an otherwise dichotomous narrative of the good versus the bad. The weakness of his argument, however, is that it clouds the fact that wealth accumulation is concentrated in a tiny minority while the vast majority of Blacks remain mired in poverty, unemployment and despair. Consider too the looted billions spirited out of the country by Indian foreign nationals and effectively lost to everyone in South Africa. Curiously, Von Holdt’s (2019) interpretation of the roots of corruption in South Africa could be justified from a Marxist perspective. (Lötter 2020b, 9)

In the final analysis, Von Holdt’s attempt to defend wholesale looting of the fiscus ironically reproduces the logic of a key feature of the former apartheid state, namely the enrichment of a tiny minority acting with impunity at the expense of the vast majority—a minority acting out with impunity beyond the sobering limits of the rule of law and probably immune from prosecution. In the perceptive opinion of Stiglitz (2019b), “[p]olitics has played a big role in the increase in corporate rent-seeking and the accompanying inequality.” This is as true of South Africa as it is of anywhere else in the world, and in this respect, R. W. Johnson (2017, 107) notes that “[a] large majority of the ANC National Executive has business interests.”

Former President Jacob Zuma’s snubbing of the Zondo Commission of Inquiry into State Capture (eNCA 2021) beautifully captures this reality. His disastrous maladministration or “lack thereof” (Johnson 2017, 122)—the so-called “nine wasted years”—has massively aided him in enriching himself, his friends (both foreign and local) and family members beyond imagination, as well as resulting in a cost for this country of at least 1.8 trillion rand (Merten 2019), conservatively estimated. Therefore, South Africans of all walks of life deserve an explanation and some resultant closure after his alleged transgressions during his time in office. Politics and business cannot be divorced from one another, as the South African experience has shown. With regards to the relationship between business and politics, as Stiglitz (2012, 118–145; 2016, 288–289; 2019b) points out, disenfranchisement (voter suppression), disempowerment (the gerrymandering voting districts [Wines 2019]) and packing (in the South African context, the Supreme Court of Appeal) are all tricks of the trade to maintain the unspoken principle of “one dollar, one vote” rather than “one person, one vote.”

For these reasons, therefore, it can be argued that a criminal shadow state may operate alongside South Africa’s constitutional state (Johnson 2015, 2017). This shadow state has been described as “nothing if not a criminal rent-seeking network” (Lötter 2018, 27). Johnson (2015, 45–49) is even more pessimistic in his observation that the “criminalization of the state” has morphed into a going concern” (and it is difficult to see how the Zuma kleptocracy was any different from the current Zimbabwean scenario). A number of South African scholars and other commentators have corroborated and elaborated on this idea (Bhorat et al. 2017; Chipkin and Swilling 2018;
Olver 2017; Pauw 2017). The rise of a BEE-based plutocracy from the ashes of this once proud liberation movement (although some people consider the liberation movement to be compromised but ongoing) is one of the most astonishing stories of the new South Africa. To quote Stiglitz (2019b) again, “We are now in a vicious cycle: Greater economic inequality is leading, in our money-driven political system, to more political inequality, with weaker rules and deregulation causing still more economic inequality.” Clearly, Castells’s “social elites” are represented in this paper by South Africa’s emerging “black diamonds.” One may also raise the objection that the cadre-based economic reshuffling, which is BBBEE, has the serious drawback of restricting the full potential of the market (Fuller, Murphy, and Chow 2020), even as South Africa’s economy needs all the innovation and excellence it can muster. A further objection that could be (and is) made is that these racially-motivated policies have led to even greater social discohesion in South Africa’s already troubled racial Realpolitik. As far as argumentative linearity goes, I argue that this policy has fostered and is fostering significant resentment among those (of all ethnicities, but especially non-African South Africans) that have been consequently left behind. As for their stated rationale, which is the promotion of Black economic empowerment, Raymond Suttner (quoted in Johnson 2017, 156), a veteran communist stalwart of the ANC, argues:

In short, the poorest of the poor are not of any concern. The deal only relates to rewarding “players,” the people who are in the inner circle of the ANC leadership. This is just one instance, but it is a most glaring instance that exemplifies the erosion of any semblance of moral integrity once attached to the ANC. It has nothing to do with the ANC that once pledged to make “a better life for all.”

To Suttner’s profound insight, Johnson (2017, 176), however, provides the following necessary geopolitical context: “No doubt the urge for primary accumulation is just as fierce in other African countries, but the fact that South Africa has much greater resources has allowed this veritable monster to feed and grow to a size seen nowhere else on the continent.” Similarly, Nils Christie (2017, 4), the well-known Norwegian conflict criminologist, points out that “the major dangers of crime in modern societies are not the crime, but the fight against them, which may lead societies towards totalitarian developments.” In this regard, Marius Roodt (2021) of the South African Institute of Race Relations suggests that one such totalitarian development lies in the fact that:

BEE has failed to benefit ordinary South Africans, which is reflected in our stubbornly high rates of poverty and unemployment. The government must reject failed race-based ideology and focus on helping poor South Africans, whatever their race.

Adding to Roodt’s insight, Žižek (2020b), in drawing an illuminating comparison between social protests and viruses, argues:

What we should accept, what we should reconcile ourselves with, is that there is a sub-layer of life, the undead, stupidly repetitive, pre-sexual life of viruses, which always was
here and which will always be with us as a dark shadow, posing a threat to our very survival, exploding when we least expect it.

By analogy, perhaps greed and its corollary, corruption, are similar sorts of viruses that are always just below the surface, always threatening to explode. Therefore, as far as philosophical consequentiality is concerned, I contend that just as governments in the past have used the fight against “crime” to justify authoritarian measures, in the same way, the South African ruling party appropriated the Covid-19 pandemic for the purposes of “disaster capitalism,” namely to seize on the doubly weakened state of the economy having been, at least in part, first weakened by their own mismanagement before the pandemic and to then restructure it for better looting or the less circuitous route of even outright theft. By way of illustration, I argue that the true purpose of the criminal justice system in capitalist societies, as Reiman and Leighton (2020) contend, is to deflect attention from the “Big Game”—the monstrous crime perpetrated by the powerful and wealthy. I suggest accordingly that Klein’s concept of disaster capitalism read through the lens of Reiman’s “pyrrhic defeat theory” can be applied fruitfully to the idea of the economic restructuring during Covid-19 in South Africa.

Finally, from a conflict transformational perspective, Gavin Bradshaw (2008, 79) makes the following case in favour of integrative negotiation rather than power bargaining:

*Fairness is an important guiding principle throughout.* Because [of] the importance of maintaining good working relationships in a country as fraught with conflict as South Africa, it would be advisable to use integrative negotiation techniques as far as possible. Most recent research work on negotiation also supports the fact that integrative approaches are usually far more effective [than power]. (Emphasis added)

Integrative negotiation, however, is not a defining characteristic of this government’s modus operandi. Instead, power bargaining almost always wins the day, which is most sad for a country supposedly built on democratic principles, such as free debate and inclusivity. In addition, Johnson (2017, 153) explains that “This obsession with demographic representivity was, of course, a luxury the country could not afford: it amounted merely to a demand to share unemployment around equally.” Perhaps, then, the similar evidence-rule profiling VBS as a blueprint for South African-style corruption and outright theft was superfluous, since the accused (the state) is well-profiled and by all accounts a serial offender, or criminal, known to the public.

In the words of Hillyard and Tombs (2004, 28), “[i]f criminology is now well established as a discipline, the costs of legitimacy and professionalisation have been, and continue to be, high when measured against any index of social justice.” On the one hand, the jury is still out on the costs, at least in part, of mainstream criminology’s failure to hold government accountable for its complicity in the crimes of the rich and powerful. On the other hand, Johan Galtung (1996, 5), one of the foremost researchers in conflict transformation or peace studies, argues that the structural violence that
compromised institutions perpetuate, can conceivably be overcome in order for deep-rooted or lasting peace to be achieved:

The argument made here is not to abolish the military but to give it new tasks. That institution has had very bad habits in the past, such as attacking other countries and nations, and other classes, usually at the behest of the ruling elites, killing and devastating through external and internal wars. But there have also been virtues: good organization, courage, willingness to sacrifice. The bad habits have to go; not necessarily the military, and certainly not the virtues.

The important question is, of course, how to direct market forces in South Africa towards promoting an ethic of care and trust, and thereby empower our “truth-assessing and -telling” institutions to work more equitably for all and not just a tiny plutocracy at the top (Henderson 2020a, 2020b; Stiglitz 2019a, 2019b, 2016, 2012). There is no room, however, to attempt answering this question in this contribution. I argue instead that the intersection of state capture, patronage networks and BEE formed an unholy alliance that culminated in the government’s response to Covid-19 in March 2020, in terms of the procurement of PPE and the roll-out of the vaccine, being marred in corruption and irregularities. I am not alone in my thinking along these lines, Ralph Mathukga (2021, 39) suggests that:

For many South Africans, the party has become synonymous with corruption. When the Covid-19 pandemic hit, necessitating public spending on personal protective equipment (PPE) and other measures, social media users were quick to predict that this would provide yet another opportunity for cadres to feed from the government trough. It did not take long for those fears to be realized. The Special Investigation Unit found that R30,7 billion had been spent from April 2020 to November 2020—R13 billion of which was under investigation. The state bought PPE at highly inflated prices, with a mark-up, sometimes, of as much as a 400 per cent. The factional infighting in the ruling party has taken its toll on the South African economy during the Covid-19 restructuring. The RET-group managed—according to the SIU-investigation Final report on PPE corruption (The South African 2021) handed to Ramaphosa at the time of writing (December 2021)—to lay claim to at least 11% (representing at least R15 billion rands worth of deals of the total R139 billion) of Covid expenditure by the state. Clearly, a nuanced reading is called for when looting of state resources during Covid in the post-Zuma/Ramaphosa era is considered. My argument that BBBEE is a cadre-based narrative for economic restructuring and/or that it has promoted inefficiency, corruption and enrichment is neither new or original, nor dependent on a poststructural or critical criminological perspective. To sustain the arguments being put forward, namely that Covid-19 marked a clear watershed distinguishing it from what had occurred previously, I have attempted to demonstrate that what is new with Covid-19 corruption is that, for the first time, the RET-faction within government structures used disaster capitalism (provided by the Covid-pandemic as a form of natural disaster) for self-enrichment. Reiman’s pyrrhic defeat theory, as
part of my criminological perspective, also provides a valuable lens, considered through the *modus operandi* of the VBS-case study, with which to understand the ideological message (Black economic empowerment) as a pretext for self-enrichment.

A good starting point is Henderson’s (2020a) insight that it makes good business sense for businesses to promote the common good, and so if Habermas (1983, 1984, 1987) is right about the possibility of consensus being embedded in our very ability to communicate (despite the potential for “systematic communicative distortions” [such as greed and/or a sense of entitlement] to derail the process), then this seems to be a promising avenue for further study. To achieve this laudable objective, Ralph Mathekga (2021, 78–79 and 88–89) suggests two constructs. Firstly, abandon the idea of representational representation in favour of direct representation so as to improve politicians’ accountability to the constituents. Secondly, effective leaders on local government level should be fast-tracked to transcend to national level with a view to entering parliament so as to “create an incentive for good governance that is attuned to the needs of local citizens” (Mathekga 2021, 88).

These wise words having been said, it is, of course, anything but obvious or certain that the Ramaphosa faction within the ruling party will survive. There are at least two reasons for this. Firstly, the ruling party, on the whole, does not seem to have the stomach for a corruption-free lifestyle. Mathekga (2021, 108) puts this idea in the following revealing words:

> A great deal of Ramaphosa’s survival hinges on a successful fight against corruption. In this, the ANC can be as much of a hindrance as a help. With its competing factions—one of which benefited handsomely from the Zuma years—the party is simply not wired for a war against graft.

Secondly, although Ramaphosa has championed the fight against corruption, not everybody is convinced that his own house is entirely free of graft (Mathekga 2021, 93 and 110–111), which includes allegations of funding preference and favours (Cowan and Tandwa 2019). Examples of this include, among others, a 500 000-rand donation from controversial Bosasa CEO Gavin Watson and apparent contributions by Stavros Nicolaou, a loyal supporter of the ANC and a senior executive of Aspen, a listed, albeit local, pharmaceutical giant. I move on to consider a conclusion for an international audience.

**Conclusion**

I suggest that President Ramaphosa’s zero-tolerance policy towards corruption (and I accept his sincerity even though he may have been a key player in the Marikana massacre) is insufficient to settle the matter. The evolution of South Africa’s culture of enrichment schemes (VBS, Bosasa, the Zuma years, PPE procurement, and so on) is greatly exacerbated by the deceptive ideology of BBBEE. Our government’s attempts to restructure the economy, albeit hijacked by the RET-faction, during the Covid-19
pandemic only exemplify this state’s likeness to a criminal syndicate for networking with the rich and the powerful in South African politics and business. As Stiglitz points out, business and politics have become inextricably intertwined. In addition, the crimes of the rich, as Stanley Cohen pointed out way back in the 1970s, are indeed not even acknowledged, while ordinary South Africans are sent to prison on a daily basis for far less. This state of affairs, as Malcolm X pointed out in a different context, is a continuous disgrace. Now, more than ever, South Africans need fair, transparent and responsive governance (Henderson 2020a, 2020b) with integrative negotiation, forming the very basis for democratic governance. As Naomi Klein points out, authoritarian conditions are required to impose disaster capitalist measures onto the economy. This would seem to explain, if at least in part, South Africa’s inexplicable harsh lockdown in preparation for the “restructuring” of the economy, albeit for darker motives.

Understanding the allure of the state in fusing its agenda with that of Big Business is the central focus of green criminology, but this exercise has also highlighted the seminal import of critical thinking in seeing the forest for the trees.

In the words of Joseph Stiglitz (2020), said in the context of Trump’s refusal to commit to a peaceful transition after the election, “this could well be a turning point in the narrative of our country and our national discourse.” I would like to express the same hope in that my exploration of rent-seeking under the fraudulent cloak of Black economic empowerment would not only diagnose, but also, to some extent at least, heal. Perhaps it is high time to “quarantine” these politicians and captains of industry (assuming this to be possible). Žižek similarly contends that the West’s visceral intention was with the “lockdown” of the Chinese. In the final analysis, it might also be wise to consider corruption and outright theft as an ever-present virus, lurking under the surface and ready to explode at any point. Utopian ideas about a perfect world are also dangerous, since they are so attractive and yet so unattainable. If, in fact, a crime syndicate is running the show during economic restructuring with Covid-19 as a form of localised disaster capitalism, I should perhaps add the rider that, as of late, it has morphed into a going concern. The difference is that the unapologetic and self-entitlement of outright theft and corruption is on a scale outstanding in the global kleptopian experience. To be fair, this is also a feature of global governance at the tail-end of late capitalism in the early twenty-first century. The most important lesson that can perhaps be taken away from the Covid-19 experience, is that pandemics are not the best of times for experiments in economic restructuring—unless, of course, that was the whole point of the exercise.

References


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