

Corrupt SOEs threaten SA's economy

After suspending KPMG, Business Leadership South Africa (BLSA) has announced it has done the same with Eskom and Transnet, indicating it won't tolerate unethical or corrupt behaviour from any of its members.



Bonang Mohale, CEO: Business Leadership South Africa

"South Africans have been rightly disturbed in recent times at the numerous allegations of corrupt behaviour and colossal failures of corporate governance and accountability at both Eskom and Transnet," said Bonang Mohale, BLSA CEO.

This behaviour is entirely at odds with the values of BLSA, captured in our integrity pledge. Neither of the state-owned enterprises were able to give BLSA comfort that they appreciated the seriousness of the issues at hand, or that they had the requisite will and purpose to put their houses in order. This left us with no choice but to suspend their memberships from the organisation. We have to live by our values and will take a zero-tolerance approach to any organisation found in breach.

Systemic risk

With regard to Eskom in particular, as the country's national electricity is a strategic asset and due to multiple governance and operational failures, and a stretched balance sheet, now represents systemic risk to the economy as a whole. Until and unless a non conflicted, experienced and permanent chairman and board are appointed - who in turn appoint an experienced and honest executive team - Eskom will loom large over the economy as a threat to stability and economic growth.

There are thousands of honest Eskom employees doing honest and brave work in the face of a seemingly endless pattern of corruption at the top."

BLSA repeats its earlier appeal that government should proceed expeditiously to set up the judicial investigation into state capture recommended nearly a year ago by the then public protector, Thuli Madonsela. Any employees found to have been in breach of the law should be prosecuted.

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