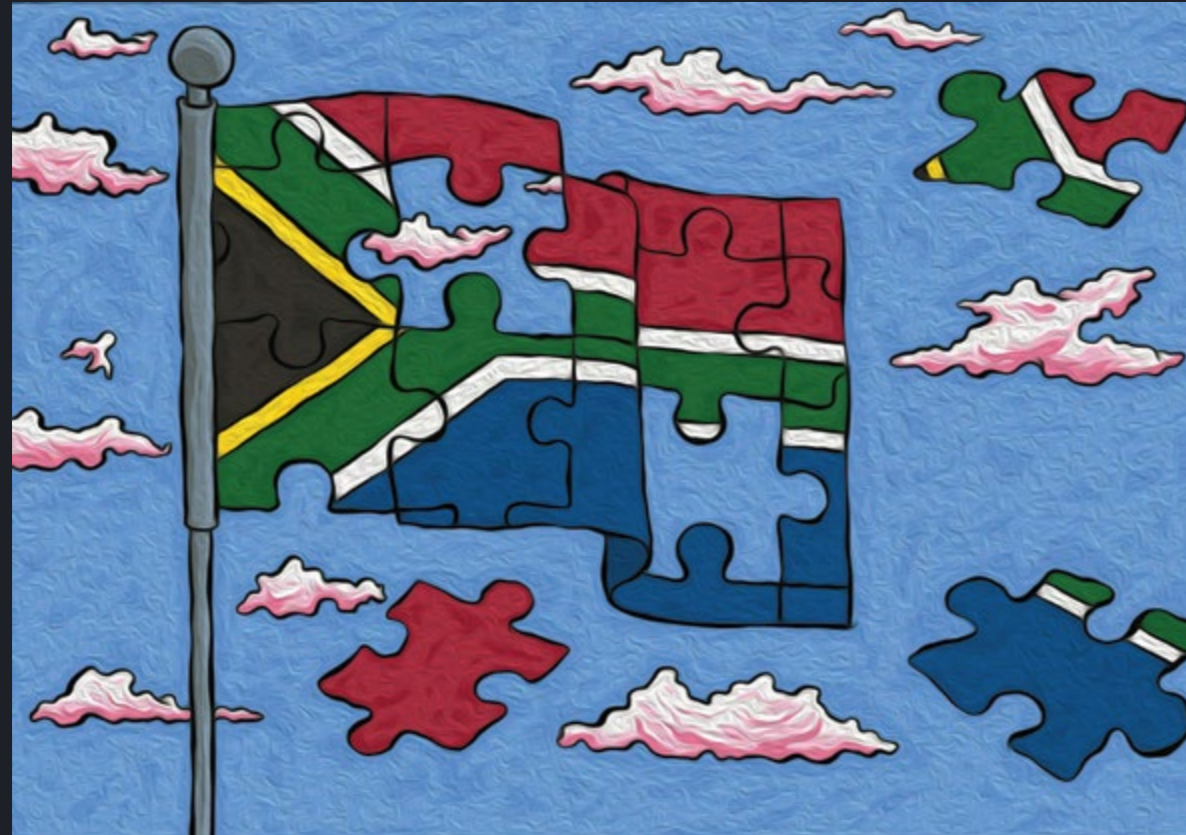






ANNUAL REPORT 2018



BROWN DELEGATION

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SOE FREEFALL



DIRECTOR'S LETTER

THE 2019 elections are a watershed moment in South Africa. Last year presented transitions for the country — and for PARI — which continue into this one.

South Africa is emerging out of a period of major instability in which many institutions of the state were mismanaged and, in some instances, deliberately compromised. The consequences of the compromising of these institutions are being felt by all – electricity blackouts, crumbling infrastructure, and poor revenue collection rates among others. We are going to feel these consequences for a long time to come.

Whether the 'New Dawn' really heralds a departure from the preceding nine years remains to be seen. Among other things, the elections will be a test of the extent to which the electorate buys President Ramaphosa's narrative. To make sense of the preceding nine years, the State Capacity Research Group followed up the 2017 'Betrayal of the Promise' report with publishing *Shadow State: The Politics of State Capture* in 2018.

In 2017, PARI was a partner to the People's

Tribunal Against Economic Crime in South Africa, which presented its findings at ConHill in 2018. The Tribunal revealed the 'long shadow' of corruption in the state from apartheid through to the arms trade, setting it up as the forerunner of state capture as we know it today.

In the wake of the *Shadow State* book and the Tribunal findings, PARI held a very successful three-day conference in October 2018 that brought scholars and anti-corruption activists from the global South together with South Africans. Seventeen panels considered broadly the themes of accountability, legitimacy and oversight running through the organs of state, the media, the private sector and civil society. Particularly exciting were the comparative perspectives from Dr Joe Abah (Nigeria) and John Githongo (Kenya). We are taking forward this work by drawing together a set of proposals for reforming the state to insulate administrations enough from politics to avoid finding our state at the same or worse levels of capture in another decade or three or five.

After the elections, one of the pressing tasks that will need to be tackled by the new government is how South Africa will proceed with accelerating the land reform programme. A salient question that arises when we talk about land reform and its sharp edge, expropriation without compensation, is: What capabilities does the state require in order to realise the acceleration of land reform, especially redistribution? Moreover, does the state have the requisite capacity to, at base, administer restituted and redistributed land?

I am pleased to announce that even as PARI went through a major leadership transition in 2018, we established new partnerships through which we will make contributions to the most pressing questions facing the country. We have partnered with the Institute for Poverty, Land and Agrarian Studies (PLAAS) at the University of the Western Cape on a new programme on land governance. We will be making announcements on this programme in due course.

To answer some of the many questions about the problems that continue to plague local government, we have entered into a three-year research partnership with the South African Local Government Association (SALGA). I am pleased to introduce the SALGA-PARI Research Centre (SPRC), to be housed at PARI. We will shortly be announcing more fully details about this partnership and the Centre.

The changes at PARI saw the departure of Professor Tawana Kupe from the Board when he left his position at Wits to take up his new position as Vice Chancellor of the University of Pretoria. I would like to congratulate Prof. Kupe on his appointment. 2018 also saw a challenging transition in the senior leadership of the organisation. The organisation is nearing the end of this transition and launching forward into the next phase of its life. I look forward to embarking on this new phase with the support of our Board under the leadership of the new chair, Prof. Mucha Musemwa, and with the continued support of our funders. ■

BEING THE CHANGE

THE past year heralded a new era for the Public Affairs Research Institute. Through crisis, the organisation was posed an opportunity to align its internal policies and structures with the principles and values that it seeks to uphold in the state and society. Like many other similar organisations in the country, PARI was challenged to take an honest look within, to assess whether it was indeed furthering the goals of good governance, transparency and fair and equitable labour practices.

This sudden introspection was catalysed by an investigation into sexual and other harassment allegations in the Institute. The outcome presented a crisis to the organisation in that, in many areas, the alignment appeared lacking, and this revealed a trove of urgent internal reconstruction that needed to happen. Combined with the introduction of a new Board in the midst of the crisis and the later resignation of PARI's former Executive Director and Founder, the organisation faced the real possibility of folding.

Fortunately, PARI management, new Board members and staff rose to the challenge with great integrity and urgency. The then-Research Manager, Dr Mbongiseni Buthelezi, stepped forward as Interim Executive Director, with guidance from the Board, to take the reins through the transition. As a result, a schedule of actions were taken to ensure that the Institute was stabilised financially and operationally, and also that relationships that were under duress as a result of the crisis were salvaged where possible, both inside the organisation and with external parties.

We need to emerge from 2018 as a new PARI. This organisation lives on and is not dependent on the presence of any one individual.

The year ended with the seeds of three reconstructive processes being sown. These processes continue into 2019 and are renewing the Institute holistically and thoroughly, and will define PARI in the next major phase of its organisational life.

First is a Human Resources policy review, which has produced a comprehensive Policy and Procedures Manual, including a sexual harassment policy, that is in alignment with the country's labour law and fits the particularities of the Institute. Added to this, all job descriptions and salary bands have been adjusted for evenness and accuracy across the Institute. A dedicated HR function was put in place for access by all staff members.

The second process looks in detail at organisational culture and values. These fairly intangible and yet pervasive elements were identified as being crucial to the healthy functioning of the Institute and a long-term process to address this area is underway.

Finally, the exco and Board undertook to reframe PARI's organisational strategy. The sense is that the Institute will scale down on advocacy projects to create more time for researchers to read and write in their particular fields of interest.

'We want to go smaller in order to go really big,' says Interim Executive Director Mbongiseni Buthelezi. ■

PART ONE

THE YEAR IN REVIEW



A GLOBALLY RECOGNISED, GLOBAL SOUTHERN ORGANISATION

IN 2018, PARI took significant strides to start becoming a globally recognised organisation, and to develop a presence with organisations in other parts of the world.

Early in the year, PARI partnered with the New School in New York to hold a conference in Buenos Aires, Argentina. This was a first lecture tour of its kind for the Institute. Academics from South America, the USA and from PARI presented their research for discussions to rethink democratisation in Africa and Latin America. This was the beginning of a year of networking outside of southern Africa and particularly in the global South.

Further activities towards international recognition are mentioned here and described in more detail in later sections.

Through a memorandum of understanding with the Watson Institute of International and Public Affairs at Ivy League college Brown University, PARI had an opportunity to participate in the *Watson Global Partners Program*, which encourages and facilitates interactions between Brown's partners. Consequently, the Institute has quickly joined a network of organisations in the global south, from Argentina, Brazil, Chile, Mexico and India, among others.

Two PARI researchers, Thatshisiwe Ndlovu and Dr Sifiso Ndlovu, travelled to Brown University to participate in an international scholar programme. A few months later, PARI hosted a contingent of Brown students doing a Masters in Public Affairs, and took them through a week-long itinerary in Johannesburg, titled 'South African public policy in perspective: Nationalism and economic transformation after apartheid'. The Institute also welcomed Dr Marcus Walton from Brown University as a post-doctoral fellow, and to lecture in the 2019 Honours programme at Wits University.

Later in the year, PARI and the Friedrich-Ebert Stiftung held a workshop in Nairobi, Kenya to discuss the concept of tax justice with participants from Zambia, Senegal, DRC, Nigeria, Kenya, Ghana, RDC, Mozambique, Cameroon and Uganda. Another workshop, in collaboration with the Nelson Mandela Foundation, was facilitated by PARI's Dr Mosa Phadi to engage Mandela Foundation's Atlantic Fellows on the meaning of a *pro-black state*. Dr Phadi also spent three months doing archival research in Ghana in the last months of the year.

The coup de grace of 2018 was PARI's international conference, *State Capture and its Aftermath*. The conference invited and hosted 65 speakers to present at 17 sessions on various aspects of the state and state-society relations in the context of state capture. The topics were tackled from the viewpoints of academia, civil society organisations, the media, public and private sectors. While speakers were mainly from across South Africa, the conference also hosted prominent thinkers, activists or academics from Nigeria, Angola, Kenya, Chile, Argentina and the USA.

These kinds of interactions in the global South community have broadened PARI's reach, facilitated learnings from other countries and helped put into perspective the often forgotten understanding that South Africa's experience is not entirely unique.

'The more we put ourselves into global comparative frames, the more we realise that we can learn from the mistakes of others who have experienced the same kinds of architecture of state and politics that we have in recent times,' says Dr Buthelezi.

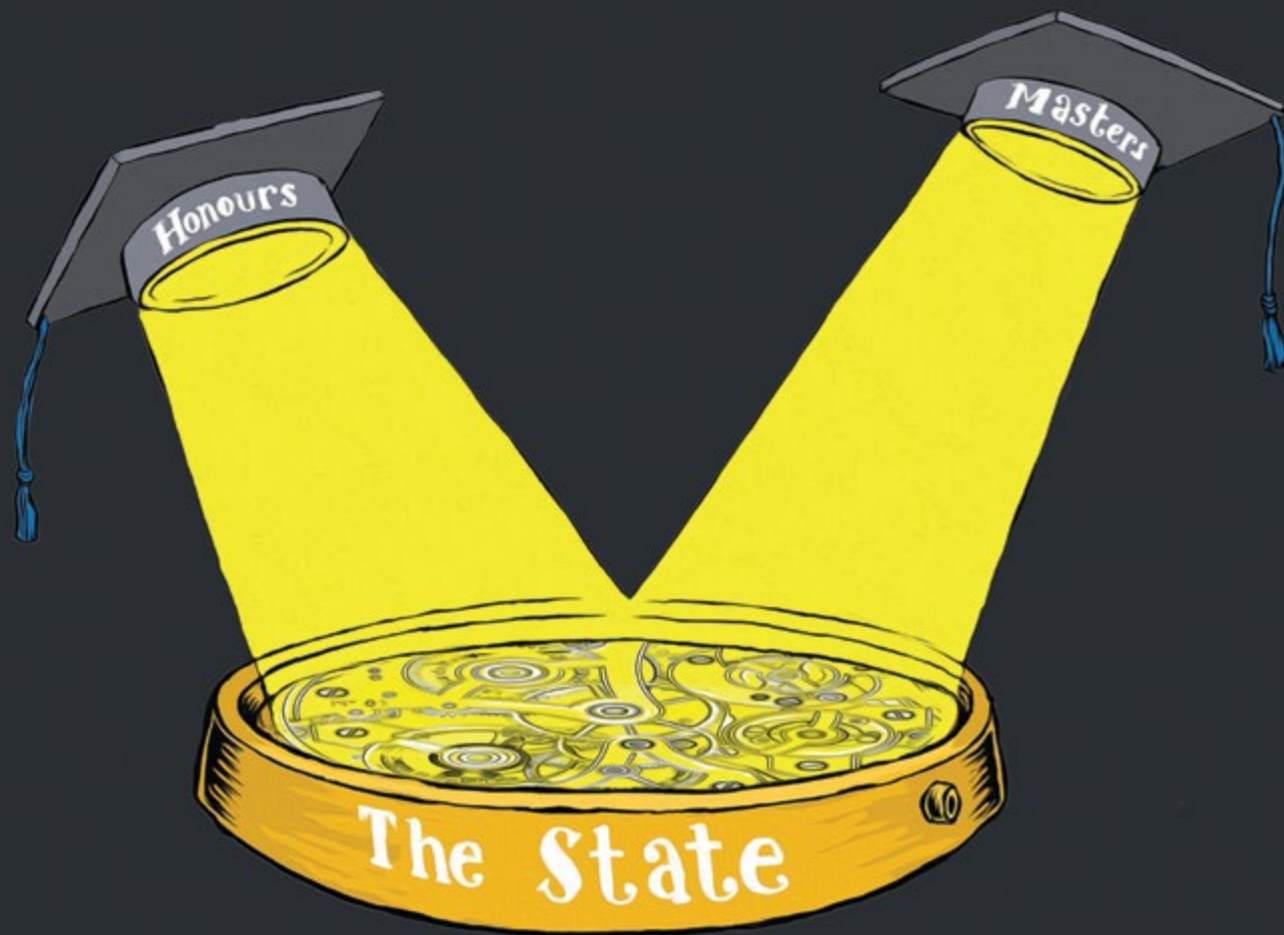
Networking has pushed PARI to realise the need to consolidate theoretically, and also be able to articulate methodological innovations. 'As PARI becomes better at positioning ourselves in the global south, we can also begin to make serious contributions about how to understand societies similar to South Africa.'

The global Southern community also provides positive examples of countries that have survived political and administrative failures far worse than the local experience, and thereby pull South Africa's challenges into realistic perspective.

'Nigeria, for example, faced massive corruption and near collapse. While there is still corruption in that country, it was able to reform in some ways from a state of near breakdown. It shows us that rebuilding is possible and recovery is possible, but it will require work.'

'PARI is coming to understand very clearly that the work needs to be done and somebody needs to do it. Having the [South African] state fail is not an option,' Dr Buthelezi explains. ■





ORGANISATIONAL AND INSTITUTIONAL STUDIES

PARI is an academic institute attached, but not fully integrated, into Wits University. The Institute's relationship with Wits started off as the post-graduate development programme (PDP), where PARI funded students who wanted to do research into public affairs, placed them in the relevant department at Wits, and co-supervised them with various university staff members. This programme was eventually phased out to make way for the Organisational and Institutional Studies (OIS) department in the School of Sciences. OIS was launched formally in 2018. The interdisciplinary programme includes Sociology, Politics, History, Urban Studies and Economics, and OIS students are able to take electives in these departments in the social sciences and economics.

The OIS programme recognises that there have been important developments internationally in the study of the state, focusing on the organisations and institutions that comprise it. For instance, how do rules, norms or policies influence behaviour? Do organisations have a logic of their own, are they simply a collection of individual actions? Recent advancements across the social sciences have identified the answers to these very questions as key determinants of economic inequality, policy reform, state formation, service delivery and state capture. Indeed, the study of institutions can unlock many of the central political challenges facing nations across the globe.

The mode of engagement between the state and civil society has become very adversarial in many ways. That is why we have many organisations litigating against the state. But PARI asks a different question – how can we partner with the state to build the kind of administrations we need and to understand the kind of administrations that we have built since 1994 and why they are working or not working.

2019 Introduction to OIS Honours and Masters Programmes

2018 was the pioneering year for the OIS department. Nine students registered for the Honours programme and the department appointed a Programme Coordinator, Paulina Hadebe and provided five scholarships. In 2019, the department introduces an additional Masters programme, in which two 2018 Honours students were accepted to study further. Learning from the inevitable hiccups of the first year, the Institute has now appointed Dr Federica Duca as the Academic Coordinator and Masters lecturer, and Dr Marcus Walton as Honours lecturer. The OIS department now has two offices on campus in the Robert Sobukwe Block.



VIOLET MOLEFE

Why is the Middle East the most conflict-ridden region in the world? More specifically, why has the United Nations repeatedly failed to prevent, or resolve, conflicts in the Middle East?



OBERT NANGARA

Why did South Africa's Black Empowerment policy (BEE) fail to empower more than a handful of beneficiaries?



ANIVUYINA KETSIWE

Why have the United Nation's Millennium Development Goals worked better in some African countries than others?



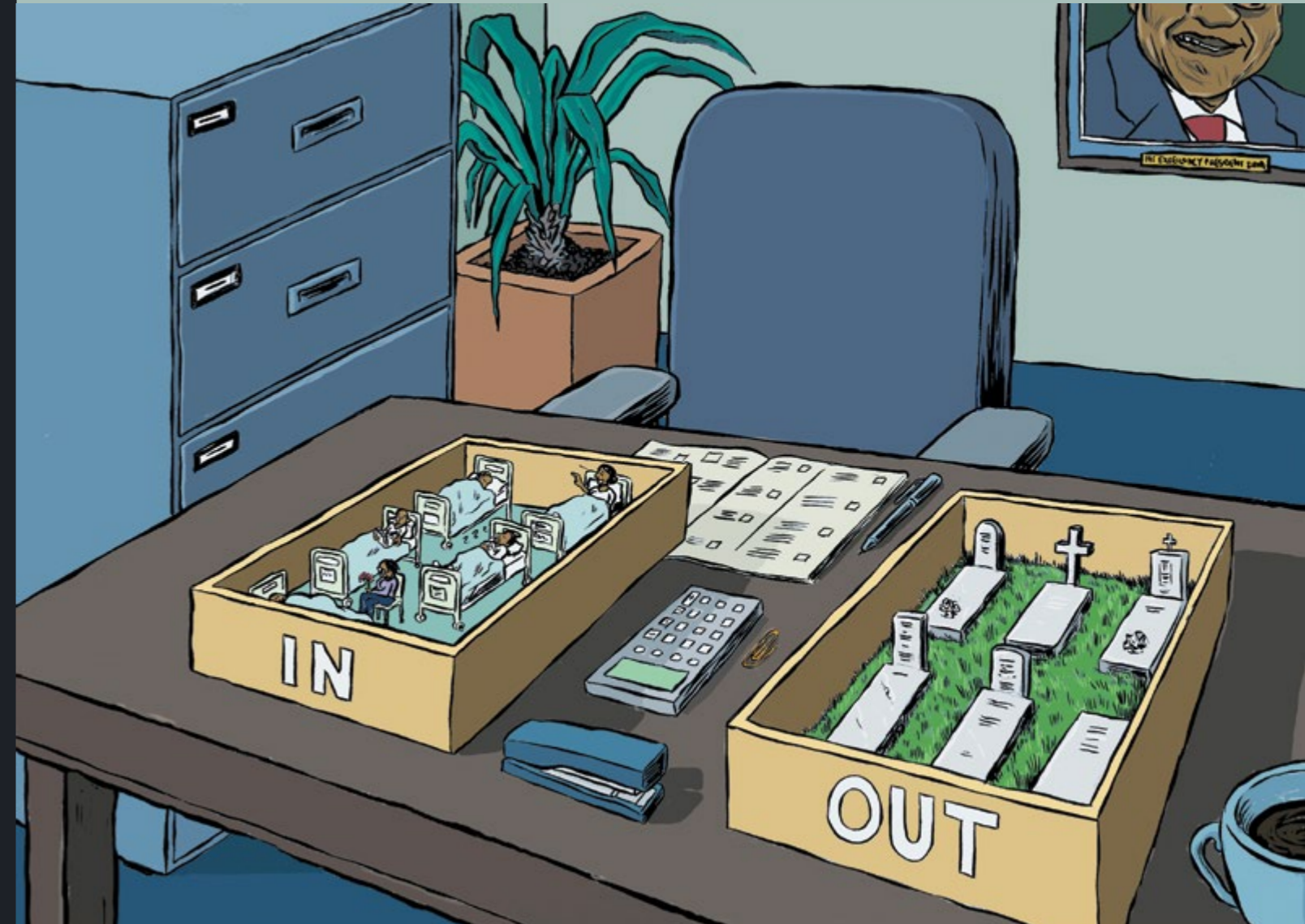
MABOTLHA MBATANE

Why has institutionalised accountability been lacking in South Africa's public administration?

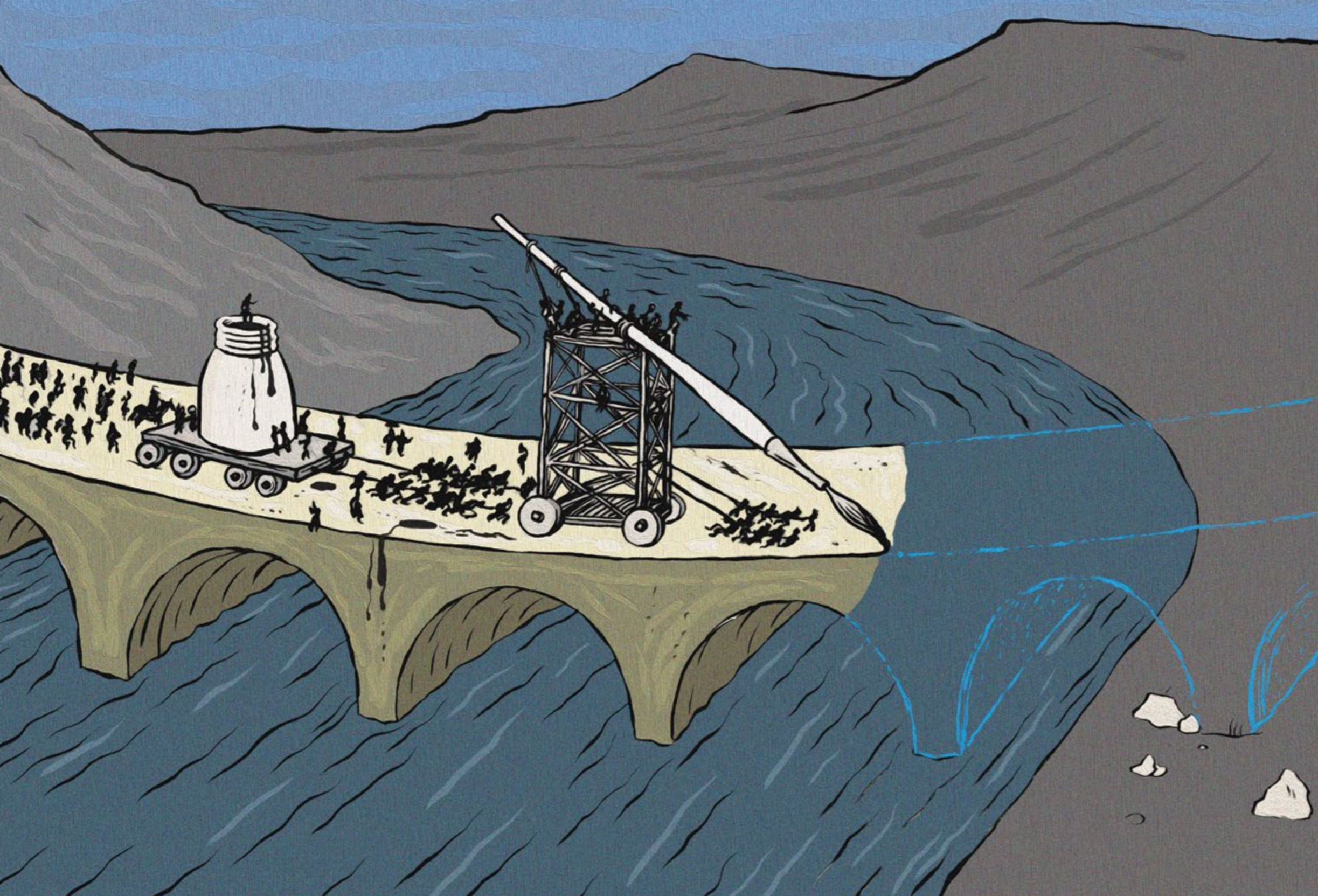


NOSIPHO MANANA

Why does the South African constitution allow for both the formal defense, and informal violation, of human rights (e.g. ukuthwalwa)?



LIFE ESIDIMENI



BUILDING AN AGENDA FOR STATE REFORM

PARI successfully carried forward the momentum generated in 2017 by civil society campaigns to right the ways in which the South African government, state and society were being led and to correct glaring deficiencies in the governance of public resources. In late 2017, it had become clear that it would be necessary to actively fight against state capture. At the beginning of 2018 — following the December election of Cyril Ramaphosa as president of the African National Congress (ANC) — it was agreed in the civil society network that continued vigilance was necessary, given that the election of Ramaphosa did not spell the end of the problems that PARI research had been identifying in state institutions since 2010. It was clear that people belonging to the networks that had hollowed out state institutions were still embedded in those institutions, and might launch a fightback campaign that could destabilise the country, including state institutions and further.

PARI would carry forward an element of the work undertaken in 2017 by leading a civil society campaign for state reform in order to build strong and resilient state institutions that can withstand the kinds of pressures exerted on the institutions and the civil servants who staff them, especially in the past decade. Thus, the #AfterCapture campaign was conceived.

ROUNDTABLES

In the build-up to an international conference in October, PARI led a series of in-depth consultations on key issues on state transformation in the early part of the year. These 'roundtables' focused on major themes in understanding the state:

Public appointments

'What we criticize is cadre deployment when it's accompanied by incompetence. Politicians should not be involved in tenders at all.' **Advocate RK Sizani, Chair of the Public Service Commission**, who believes it is time for a meritocratic civil service.

The health department through the lens of the Life Esidimeni tragedy

Mark Heywood, Section 27, proposed that creating a layer of 'spaza-shop NGOs' into which the Life Esidimeni patients were discharged — at the cost of 144 lives — was an exercise in patronage and an effort by the ANC to build political loyalty.

Professionalising public procurement

'There must be transparency in the system. Everyone, everywhere should be able to see and track procurement.' **Former Chief Procurement Officer at National Treasury, Kenneth Brown**, citing the example of an 85-kilometre pipeline that should have cost R500 million but ended up costing R2 billion.

Improving human Resources and Recruitment

'It is crucial to attract and retain public servants who understand the values and principles of our Constitution.' **Minister Ayanda Dlodlo, Department of Public Service and Administration**, who said it was not just about defending against state capture, but reforming the very design and architecture of the public service.

Creating sustainable state-owned organisations

'State capture at Eskom is a symptom of the current structure and governance of SOEs in South Africa.' **Catarina Godinho and Lauren Hermanus from the Graduate School of Business at UCT** pointed to low levels of transparency and the cover offered by political agendas.

The aim of the roundtables was to go into the October conference with a rough footprint of government and civil society initiatives on institutional reform and ideas on how to prevent state capture from reoccurring.



STATE CAPTURE AND ITS AFTERMATH: BUILDING RESPONSIVENESS THROUGH STATE REFORM

The *State Capture and its Aftermath* conference was a three-day conference in the 2018 flagship project, #AfterCapture. It ran from 22-24 October, featuring 17 panels and roundtables on the aftermath of state capture in various areas of the state and civil society, with an impressive programme of local and international speakers from academia, private sector, government and civil society.

On 22 October, *State Capture and its Aftermath* was opened by former Justice Zak Yacoob, whose frank address set a tone of incisive and perceptive reflection.

Broadly, what we have to do in the next few days is to deepen our understanding of exactly why state capture happened: what were the circumstances that gave rise to it, what were its consequences and what are the steps that we need to take to reform the state. For unless we are honest about the full causes of state capture, unless we face state capture in its absolute entirety – even if we hide one small element away and refuse to face it and refuse to bring it into the overall analysis, our solutions will be wrong. So, let us be completely frank with each other, and let us look at each of these things as they occurred.'

**Ex-Justice of the SA Constitutional Court
ZAK YACOOB**



Prof. Lucas Gonzalez (Argentina) spoke on **The unequal distribution of Inequality: Provincial states, local elites and income distribution in the Argentine provinces** on Panel 4, Day 1.



Mr John Githongo spoke from a Kenyan perspective on Day 2, the 7th Panel entitled **State Capture in Comparative Perspective**.



Prof. Patrick Heller (USA) presented his paper on Panel 5, Day 1, titled **Democratic deepening in the age of neo-liberalism: Comparing Brazil, India and South Africa**.



For light relief, the cocktail event was a comedy performance by ventriloquist and anthropologist Conrad Koch and Chester Missing, South Africa's only political-analyst puppet.



Ending impunity: Jail the corrupt was presented by Rafael Marques de Morais (Angola) on Day 2, Panel 9.



Prof. Juan Pablo Luna (Chile) presented on Panel 2, Day 1, with the title **Neither populism nor oligarchy. The meltdown of political representation in Latin America**



Panel 7, Day 2 opened with Dr. Joe Abah (Nigeria) talking on **The 'selfie' state: State capture in Nigeria**.

The programme featured six parallel sessions per day and attendees were challenged to choose their preferred discussions. A livestream on YouTube allowed non-attendees to tune in to any of the sessions over the three days.

The last day featured roundtable discussions facilitated by civil society organisations — the Right 2 Know campaign, Open Democracy Advice Centre, Corruption Watch, Black Sash, Amabhungane Centre for Investigative Journalism, Daily Maverick, Council for the Advancement of the South African Constitution and the Institute for Security Studies.

PARI strives to be a progressive organisation and in the interest of environmental awareness, the event was as paperless as possible with the help

of a mobile app. The app allowed attendees to interact live with the programme, the speakers, the content and with other attendees. It was actively used by nearly all present.

Following the conference, position papers are being developed on the major themes emerging from the conference. These include issues around procurement, recruitment, appointments within the criminal justice, and state-owned enterprises. The papers will be co-developed with other research and civil society organisations working in these areas. The papers are planned to come out in June 2019, and then be further developed with a broad view of understanding and clarifying the roles and functions of the state, and state-society relations. ■



DAY 1 | 22 October 2018

SESSION	SPEAKERS	CHAIR
Panel 1: Legacy of apartheid on contemporary state structures and politics	'A Long Shadow': South Africa's Deep State and the Arms Trade - Hennie Van Vuuren and Michael Marchant (Open Secrets) Reckoning with Legacies - Verne Harris (Nelson Mandela Foundation) Historical legacies of state capture - Noor Nieftagodien (History Workshop, Wits University)	Nomboniso Gasa
Panel 2: Political parties, political representation and the state	Neither populism nor oligarchy. The meltdown of political representation in Latin America - Juan Pablo Luna (Pontificia Universidad Catolica, Chile) Political accountability in a constitutional democracy: How Jacob Zuma's resignation demonstrates the fundamental political nature of our executive accountability system - Caroline James, (Global Development Studies, Queen's University, Canada)	Anthony Butler
Panel 3: Traditional Leadership in post-colonial Africa	South African Canonical Social Forms : The farm, the mine and the chiefdom in the devolved post-colonial State - Robert Thornton (Anthropology, Wits University) Troubled Royalty: (Ir)relevance of traditional rulers in post-colonial Africa - Bright Nkrumah (Political Studies, Wits University) Chiefly politics and state capture: the past in the present - Prof Anne Mager (Historical Studies, UCT)	Mbongiseni Buthelezi
Panel 4: State legitimacy, the social contract, tax policies and redistribution	The South African Tax Secrecy Culture - Erwan Malary (Alternative Information & Development Centre - AIDC) Taxation and state-society fiscal relations: A comparative perspective - Federica Duca (PARI) The Unequal Distribution of Inequality: Provincial States, Local Elites, and Income Distribution in the Argentine Provinces - Lucas Gonzalez (UNSAM, Argentina)	Khaya Sithole
Panel 5: Politics, public administration and citizen mobilisation	Democratic Deepening in the Age of Neo-liberalism: Comparing Brazil, India and South Africa - Patrick Heller (Brown University, USA) Globalisation, elite-formation and the politics of corruption - Karl Von Holdt (SWOP, Wits University) The Rise of New Public Management and Bureaucratic Reform - Phindile Ntliziywana (Public Law, UCT)	Crispian Olver
Panel 6: State capture, regulation, and the private sector	Auditors, agencies, politics and the trinity of solicitude - Khaya Sithole Business as usual: Are corporates implicated in Gupta-led state capture really sorry? - Susan Comrie (amaBhungane Centre for Investigative Journalism) Law as a set of tools to pursue or evade justice? - Lawson Naidoo (CASAC)	Stuart Theobald

DAY 2 | 23 October 2018

SESSION	SPEAKERS	CHAIR
Panel 7: State Capture in Comparative Perspective	Joe Abah (DAI, Nigeria) - "The 'Selfie' State: State Capture in Nigeria." John Githongo (Inuka Kenya Ni Sisi, Kenya) - "Beyond the Failed 'War Against Corruption'"	Lumkile Mondli
Panel 8: State capture, state owned companies and anti-corruption	Reconceptualising state capture for anti-corruption action: how South Africa recast then cast out capture at state owned companies - Catrina Godinho, Lauren Hermanus, Anton Eberhard (Graduate School of Business, UCT) The appointment and dismissal of Board members to state-owned enterprises - Jaap de Visser (Dullah Omar Institute, UWC) State Capture and the Economics of Corruption: the Case of Transnet - Amy Thornton (Development Policy Research Unit, UCT)	Alan Hirsch
Panel 9: Media, state accountability and social movements	How has South African media contributed to public understanding of corruption, state capture and the political narrative over the last 3 years? - Thandi Smith (Media Monitoring Africa) Ending Impunity: Jail the corrupt - Rafael Marques de Morais (Maka Angola) The media and state capture - Ferial Haffajee (Associate Editor, Daily Maverick)	Anton Harber
Panel 10: Local government, politics, public administration, and local citizens	Organogram Politics: Building Capacity in a Neopatrimonial Local Government in South Africa? - Thina Nzo (History Workshop, Wits University) Local Government Instability: The Need for a Broader View - Joel Pearson (PARI) Mr Andries Nel (CoGTA Deputy Minister)	Pam Yako
Panel 11: Political contestation, public administration, and the local state	The State of the Criminal Justice System - Nicole Fritz (Freedom under Law) The link between State Capture and rising violent crime. What criminal justice reforms are needed? - Gareth Newham (Institute for Security Studies) Always captured? The Special Investigations Unit and South Africa's anti-corruption architecture - David Bruce	Noma Pakade
Panel 12: Oversight institutions and state accountability	In pursuit of democratic renewal: Alternative methods for securing corporate accountability - Khuraisha Patel and Michael Marchant (Open Secrets) Mobilization against State Capture: Evidence of Counterpower in South Africa - Jonathan Klaaren (Wits Law School) Keeping the executive in check while crystalizing the separation of party and state- Likhona Mnguni (University of KZN)	Tracy Ledger
Panel 13: Politics, civic mobilisation and the local state	The erosion of state [water] institutions and the role of civil-society in rebuilding state capacity: A case study of the Department of Water and Sanitation - Saul Roux & Mary Galvin (Centre for Environmental Rights) A Critical Assessment of the Infrastructure for Public Participation in Local Government - Nontando Ngamlana (Afeis Corplan) How to steal a city: The battle for Nelson Mandela Bay - Crispian Olver	Sarah Meny-Gibert

DAY 3 | 24 October

Security Structures and State Capture: Roundtable 1	Karabo Rajuili, (amaBhungane Centre for Investigative Journalism) Dale McKinley, (Right2Know Campaign)	Mluleki Marongo (Right2Know Campaign)
Whistleblowing and Broken Systems: Roundtable 2	Jessica Bezuidenhout, Daily Maverick Fazela Mahomed, Ex-Registrar of Members' Interests, Parliamentary Committee on Ethics	Gabriella Razzano, Open Democracy Advice Centre (ODAC)
The role of civil society in contesting political manipulation of the criminal justice system: Roundtable 3	David Bruce - independent researcher Lawson Naidoo - Council for the Advancement of the South African Constitution (CASAC) Gareth Newham - Institute for Security Studies (ISS)	Lucky Menoe, Corruption Watch
Grants paying the price for State Capture: Roundtable 4	Lynette Maart (National Director, Black Sash) Advocate Gina Snyman	Ghalib Galant, Right2Know Campaign



AFTER CAPTURE

SHAPING THOUGHT AND OPINION

PARI's voice resonates from years of research into state institutions, history and state-society relations. The Institute continues to produce work that affects and helps to shape the country's understanding of its own administration and politics.

Journal articles

Phadi, M., J. Pearson and T. Lesaffre (2018) The Seeds of Perpetual Instability: The Case of Mogalakwena Local Municipality in South Africa, *Journal of Southern African Studies*, 44(4), 593-611.

Reports

Ledger, T. and S. Meny-Gibert (2018) 'The Challenge of Prioritisation and Alignment in Public Sector Planning and Implementation: Literature Review'. A PARI and Twende Mbele report. Pretoria: Twende Mbele.

Meny-Gibert, S. (2018) 'The Public Service Human Resource Development Strategic Framework'. Commissioned by PSETA for the Department of Public Service and Administration. Pretoria: Department of Public Service and Administration.

Phadi, M. and J. Pearson (2018) 'We Are Building a City: Governance and the Struggle for Self-sufficiency in Lephalale Local Municipality'. A PARI report. Johannesburg: Public Affairs Research Institute.

Pillay, D., N. Prins and W. Holland (2018) 'Transnet Inquiry Reference Book'. An SRCP report. Cape Town: State Capacity Research Project.

Soares Guimarães, A., F. Duca and T. Ndlovu (2018) 'Taxation and State-Society Relations in Sub-Saharan Africa: the cases of Cameroon, Mozambique and South Africa'. A PARI report. Johannesburg: Public Affairs Research Institute.



Books and chapters

Buthelezi, M. and D. Skosana (2018) 'The Salience of Chiefs In Post-Apartheid South Africa: Reflections on the Nhlapo Commission', in Comaroff, J. and Comaroff, J. (eds) *The Politics of Custom in Africa*, pp. 100–35. Chicago, IL; London: University of Chicago Press.

Chipkin, I. (2018) 'The End of Tyranny: How Civil Society in South Africa Fought Back', in C. Rodríguez-Garavito and K. Gomez (eds) *Rising to the Populist Challenge. A New Playbook for Human Rights Actors*, pp. 101–12. Bogotá: Dejusticia.

Chipkin, I. and M. Swilling et al. (2018) *Shadow State: The Politics Of State Capture*. Johannesburg: Wits University Press.

Duca, P. (2018) 'Towards a holistic understanding of taxes: coming to grips with the idea of the just tax in Cameroon', in P. Rivera-Vargas, J. Muñoz-Saavedra, R. Morales Olivares and S. Butendieck-Hijerra (eds) *Políticas Públicas para la Equidad Social*, pp. 277–86. Santiago de Chile: Colección Políticas Públicas, Universidad de Santiago de Chile.

Working papers

Pearson, J. and T. Ndlovu (2018) "'I am no longer applying straight" – Human Resource Practices in State Institutions: perspectives of public servants'. Johannesburg: Public Affairs Research Institute.

Naidoo, V. (2018) 'Machinery of Government change in South Africa's Post-democratic Public Administration'. Machinery of Govt. Working Paper No. 2. Johannesburg: Public Affairs Research Institute.

Meny-Gibert, S. (2018) 'Shifting power, shifting rules in the South African state'. Presented at University of the Witwatersrand.

The Lame Duck President

BY
Ryan Brunette

THE BLOG

SA Constitution: Not Holy Grail, But Beachhead For Change

Now that President Zuma has stepped down, the past decade emerges in sharp relief.

15/02/2018 12:36 SAST | Updated 15/02/2018 12:50 SAST

OP-ED

President Ramaphosa Brings a Sense of Renewal and Optimism

By P. Naidoo & P. Mkhawazi | Johannesburg | 19 February 2018

Cyril Ramaphosa's new dawn is slowly breaking in Mahikeng

Previous experience, such as in Limpopo in 2010, shows why political and Constitutional issues make it crucial to tread cautiously in ousting provincial leaders

03 MAY 2018 - 10:07 BY THOKOZANI J. CHILENGA

OP-ED

Denel's long trail of corruption

By Waseem Holland • 19 September 2018

Media

Africa is a Country

'The Lame Duck President', 31 January 2018: South Africa's President, Jacob Zuma, is a lame duck. On December 18 2017, Cyril Ramaphosa, Zuma's deputy, was elected president of the ruling African National Congress (ANC), placing him on a trajectory toward the state presidency. Zuma, clearly unable to threaten this eventuality, has lost support, as erstwhile allies jockey for position around his successor, writes Ryan Brunette.

HuffpostZA

'SA Constitution: Not Holy Grail, But Beachhead For Change, 15 February 2018: Now that Jacob Zuma has stepped down as president, the past decade emerges in sharp relief. By Ivor Chipkin.

Huffpost ZA

'President Ramaphosa Brings A Sense Of Renewal And Optimism', 19 February 2018: The election of Cyril Ramaphosa as South Africa's fifth democratic president has generated a palpable sense of renewal and optimism. It also presents a real opportunity to reimagine the structure of the state machinery over which he will preside, writes Viothan Naidoo.

Business Day

'Cyril Ramaphosa's New Dawn Is Slowly Breaking In Mahikeng', 3 May 2018: Previous experience, such as in Limpopo in 2010, shows why political and Constitutional issues make it crucial to tread cautiously in ousting provincial leaders, writes Thokozani J. Chilenga.

Daily Maverick

'Denel's Long Trail Of Corruption', 19 September 2018: Corruption is old, but now wears a new face. And the Guptas did not challenge Western capitalist hegemony as some have suggested. By Waseem Holland.

EVENTS

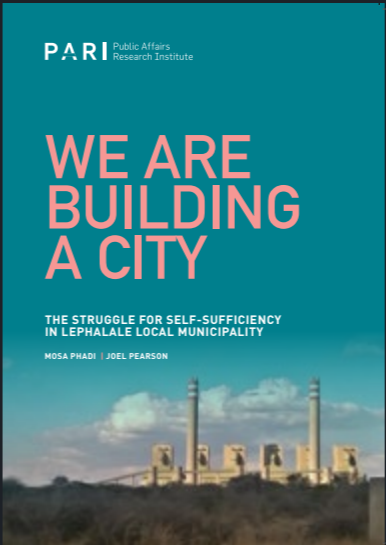
Seminar | Joel Hellman on State Capture

On 23 February 2018, PARI hosted a seminar on state capture with Professor Joel S. Hellman. Hellman wrote groundbreaking work on state capture in 2000, focusing on the former Soviet Union: *Seize the State, Seize the Day: State Capture, Corruption and Influence in Transition*. He is the Dean of the Edmund A. Walsh School of Foreign Service. Prior to joining Georgetown in July 2015, Prof. Hellman served as the World Bank’s first chief institutional economist. Previously, he directed the World Bank’s Fragile and Conflict Affected States Division. As a development practitioner, the professor has worked in nearly 50 countries across four continents. He previously taught as a faculty member at Columbia University and Harvard University.



Book Launch | Incorruptible: The story of the murders of Dulcie September, Anton Lubowski and Chris Hani

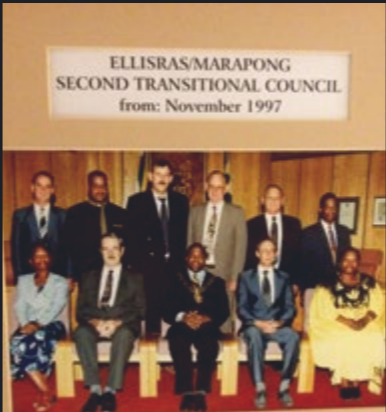
Evelyn Groenink’s book was co-hosted by PARI on 6 March 2018. The book reveals how major political assassinations in South Africa were motivated, rather than by racial ideology, by opaque military and financial dealings with former colonial powers during the country’s transition to democracy.

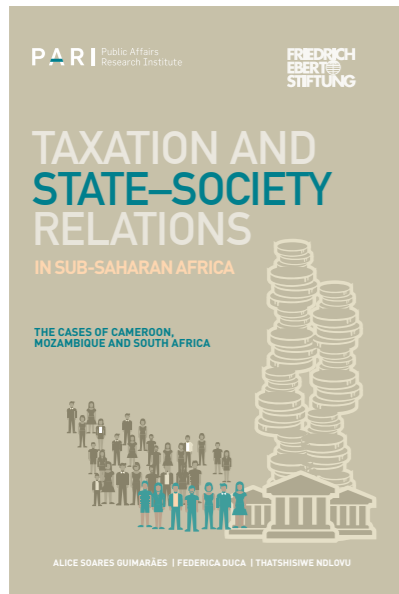


Report launch | We Are Building A City: The struggle for self-sufficiency in Lephalale Local Municipality

A ‘lily-white’ town in transition: In 2006, Eskom unveiled plans for a new multi-billion rand mega-project: the construction of the Medupi coal power station in the small town of Lephalale in Limpopo Province. This once quiet town near the Botswana border suddenly found itself inundated with massive new developments and an influx of people from around South Africa and the world. This enormous expansion caught the small semi-urban municipality unaware, and brought with it both crisis and opportunity. The municipality’s incapacity to deal with some of the effects of the sudden boom revealed unresolved historical legacies of a segregated town that was managed and remained strongly dependent on two major corporations: Exxaro and Eskom. At the same time, the boom inspired bigger dreams for the future: the creation of the first post-apartheid city.

This report, authored by Dr Mosa Phadi and Joel Pearson, emerged from the three-year Northern Frontiers project. South African Cities Network’s Programme Manager, Danga Mughogho, provided valuable insight into the report as the discussant at the launch event on 18 April 2018.





Report launch and workshop | Taxation and State-Society Relations in Sub-Saharan Africa: The cases of Cameroon, Mozambique and South Africa

Dr Alice Soares Guimarães, Dr Federica Duca and Thatshisiwe Ndlovu launched their report on 7 June 2018. The report seeks to understand how revenue collection has functioned in three African countries. It shows that the limits of the tax systems reveal the state-society relations and the experience of citizenship in each country.

The launch was co-hosted by the Friedrich-Ebert Institute (FES) and comes out of a long-term PARI project on taxation in Africa.

Later in the year – 15-16 October – PARI and FES co-hosted a multi-lingual workshop in Nairobi on Democracy, State-Building and Taxation, convening delegates from 11 African countries in various regions.

The two-day programme unpacked the role of fiscal activism on the continent and, further, the umbrella of fiscal state-society relations and the role of civil society organisations. The discussions considered the democratic potential of fiscal activism and tax awareness, specifically on the African continent.

Workshop | Brown International Advanced Research Institutes

Brown University's International Advanced Research Institutes (BIARI) convenes early-career scholars and practitioners from around the world to address pressing global issues through collaboration across academic, professional, and geographic boundaries. During June 2–16, Thatshisiwe Ndlovu and Dr Sifiso Ndlovu were invited to participate in the BIARI programme.

The three tracks each included lectures, seminars, workshops and simulations:

- Governance and Development in the Age of Globalization
- Forced Population Displacements and the Making of the Modern World
- Social Entrepreneurship with Health and Humanitarian Innovation

Brown delegation | Masters students visit PARI

August 19–27, 2018, PARI hosted a group of Master in Public Affairs (MPA) students from Brown University. The group were treated to an exciting itinerary exploring Johannesburg's historical and political spaces to better understand South African public policy.

The South African experience brings to the fore some critical issues in public policy. Who makes policy, how and in whose interests?

The MPA students explored such political spaces as the Apartheid Museum, Gauteng Provincial Legislature and Kliptown, Soweto. And they were given insights into public policy by speakers like Ivan Pillay (ex-SARS Commissioner), Noor Nieftagodien (NRF Chair of Local Histories and Present Realities) and a member of the EFF political party.

Discussion | Governance Through Military Operations

PARI researchers Thatshisiwe Ndlovu and Dr Sifiso Ndlovu collaborated on a roundtable 'Governance Through Military Operations: Violent pasts and prospects for national healing'. The event on 17 October 2018 at the Wits Humanities Graduate Centre was a discussion featuring eight thinkers and scholars on:

- Forms of military involvement in governing post-colonial Zimbabwe;
- Reflections on the narratives of violent pasts and influences they may have on society;
- Points of coherence and disjuncture in understanding violent pasts that could assist in forging a way forward without undermining the relevance of each voice.

Workshop | What Would a Pro-Black State Look Like?

PARI facilitated a workshop from 29–31 October 2018 for the Atlantic Fellows for Racial Equity programme hosted in South Africa by the Nelson Mandela Foundation. The themes centred around the historical and political questions of why the state and its institutions are unable to fully incorporate black demands. The workshop took the form of lectures, readings, discussions, site visits and reflections. The guiding question was: 'What would a pro-black state look like?'

Dr Mosa Phadi led the facilitation, providing comparisons and connections between the struggle against anti-black racism in South Africa and the USA. She explained further,

Although there have been these extensive struggles for freedom and against racism, anti-black racism remains prevalent in both societies. Among others, the gaps in the literature and in practice which remain unaddressed concern why the state and its institutions are incapable of incorporating black demands fully.

Seminar | The Politics and Governance of Basic Education

Brian Levy gave a seminar at PARI on 21 November 2018, looking at the state of basic education in South Africa. Levy is Professor of the Practice of International Development, School of Advanced International Studies, John Hopkins University, Washington DC, USA and Academic Director, Nelson Mandela School of Public Governance, University of Cape Town, South Africa. Brian Levy is the lead editor and co-author of *The Politics and Governance of Basic Education: The tale of two South African Provinces*.

A well-performing education system is central to achieving inclusive development – but the challenge of improving educational outcomes has proven to be unexpectedly difficult.

BRIAN LEVY

Workshop and exhibition | Gated Communities and Townhouse Complexes

In collaboration with the French Institute of South Africa and LAVUE (Université Paris, Nanterre), PARI co-hosted a workshop on 14 November 2018 at the Origins Centre, Wits University. The workshop was accompanied by a photographic exhibition, both coordinated by Dr Federica Duca and Dr Karen Levy.

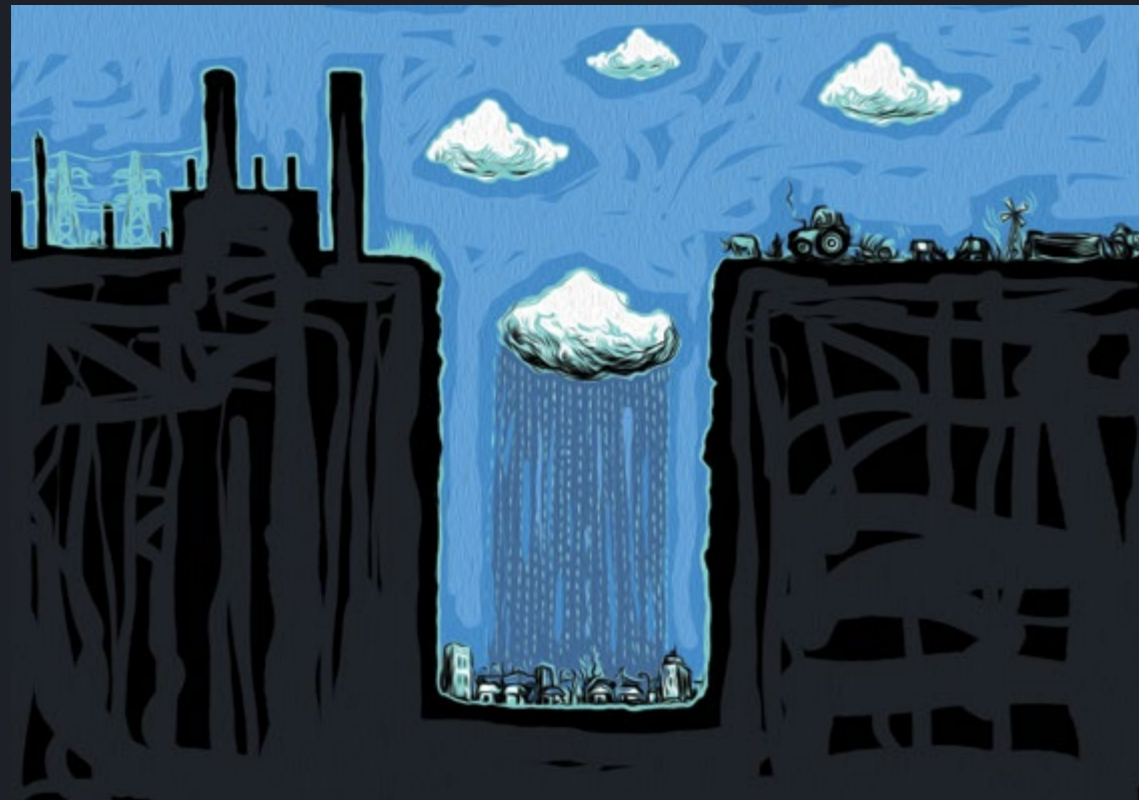


The circulation of the urban model referred to as gated communities contributes to a challenge to the understanding of the contemporary urban spaces all over the world. The multiplication at big scale of low cost housing, middle class townhouse complexes and luxurious gated estates (all representing different forms of gated communities) dominates the South African urban and peri-urban landscape and it is associated with the reproduction of apartheid geography and its forms of spatial segregation. The aim of this project is to articulate and problematize this view in a half-day seminar, with researchers on this topic and with an exhibition by South African and international photographers.

DR FEDERICA DUCA

PART TWO

PROJECT HIGHLIGHTS



LEPHALALE

Organisational Dynamics

Northern Frontier: (Re-)invention on the Platinum Belt

The three-year project, *Northern Frontier: State (Re-)invention on the Platinum Belt* came to an end in 2018. The project made findings on the causes of instability in local government.

The research situates local municipalities as key sites in the unfolding national politics, showing how local government and its attendant conflicts are inextricably bound up in broader political developments.

The first part of this project released the report *Mogalakwena Local Municipality* in 2017, and then, in April 2018, the authors Dr. Mosa Phadi and Joel Pearson released *We Are Building A City: The struggle for self-sufficiency in Lephalele Local Municipality*.

An excerpt from the preface:

In 2006, Eskom unveiled plans for a new multi-billion-rand mega-project: the construction of the Medupi coal power station in the small town of Lephalele in Limpopo Province. The once-quiet town near the Botswana border was rapidly inundated with massive new developments and an influx of people from around South Africa and the world. The expansion caught the small semi-urban municipality unawares, and brought with it both crisis and opportunity. The municipality's incapacity to deal with some of the effects of the boom revealed unresolved historical legacies of a segregated town managed by and strongly dependent on two major corporations: the multinational Exxaro and the parastatal, Eskom. The boom also inspired big dreams for the future of Lephalele: to become the first post-apartheid city.

This report examines how a municipality born without ownership of land and basic service infrastructure has attempted to overcome its history and carve out a greater space of self-sufficiency. It will show how negotiation and compromise have characterised the operation of the municipality since its inception and reveal how local governance is shaped and reshaped by the complex entanglements of government, party politics, private property owners, developers and the grander forces of capital.

Organisational Dynamics

Three Cities

Three Cities was another project that concluded in 2018. PARI entered into a three-year research partnership with the Government Technical Advisory Committee (GTAC) in the National Treasury to study three metropolitan municipalities. The intervention was to help GTAC better understand how municipalities have evolved over a twenty-year period. Author Ryan Brunette writes:

What follows is a study of certain features of the history of three South African city regions, those of Durban, Port Elizabeth and East London, today covered respectively by the metropolitan municipalities of eThekweni, Nelson Mandela Bay, and Buffalo City. The study departs from most existing histories by its comparative methodology, and its placing of the local state at the centre of study. It is concerned especially with how these local states distinguish between the domains of politics and public administration. From the aspect of our study we needed to understand how a line between politics and public administration has been drawn, instituted, not legally so much as socio-politically, in our three cities, over what we call the 'long transition' from apartheid, from 1977 to 2016.

However, publication of the report was postponed indefinitely due to the possibility of exposure of PARI's partner, the National Treasury, in the political domain.

During the course of the project, PARI demonstrated to GTAC that their interventions have over time been technocratic and failed to be sufficiently alert to political dynamics on the ground. Hence, National Treasury has deployed local government finance specialists, for instance, who have spent a year trying to resolve problems and upskilling municipal staff. As soon as they leave, the municipality often falls back into patterns of dysfunction. This is because the intervention has not taken account of the political economy of municipalities that drive dysfunction.

The findings of the study inspired GTAC to change its methodology for intervening in failing municipalities. In Mangaung, they have built into their process a period of diagnostic study of the political economy of the municipality to inform the design of the intervention. This is an example of how PARI's research has directly influenced processes to improve local government.

State Capture

Know Your State

On 26 April 2018, the Black Sash and PARI entered into a memorandum of agreement to jointly organise and facilitate four two-day *Know your State* workshops based on the SASSA case study (the looting of social grants to the detriment of the poorest South Africans). Both PARI and the Black Sash were concerned that the debate on State Capture was taking place in Commissions of Inquiry, the internet, the media and academic books, far from the people most directly affected by it. The Black Sash works extensively with partners who have been directly affected by the state capture of SASSA. PARI decided to offer the workshops to this network, in Cape Town, Johannesburg, Durban and Port Elizabeth, cities in which the Black Sash has offices and an organised presence.

The workshops were held; in the Western Cape on the 18th and 19th October 2018, in Port Elizabeth on the 13th and 14th November, in Gauteng on the 26th and 27th November and in KwaZulu-Natal on the 29th and 30th November.

Transnet Inquiry Reference Book

PARI researchers also concluded a report investigating corruption at the rail parastatal company, Transnet. This came out of a request for assistance from the parliamentary inquiry into governance, following on from PARI's collaboration on a leading report on state capture in 2017, *Betrayal of the Promise*. The *Transnet Inquiry Reference Book*, authored by Devi Pillay, Waseem Holland and Nicky Prins, was published in August 2018, and was used to shape submissions that were being prepared by civil society partners for the *Judicial Commission of Inquiry into Allegations of*



DENEL

State Capture — colloquially known as the Zondo Commission. These authors now provide research support to the Commission in their personal capacities.

Shadow State

In the same month, the authors of *Betrayal of the Promise: How the Nation is Being Stolen*, the State Capacity Research Project, consolidated their report in a book published by Wits University Press, *Shadow State: The politics of state capture*.

State-Society Relations

Taxation in sub-Saharan Africa

The major project in this stream of research was a comparative study of six African countries and the roles that taxation has played in those societies. The broader project looked at South Africa, Mozambique, Cameroon, Angola, Botswana and Nigeria.

Taxation is of central importance to modern societies, as it channels vital issues such as the individual's obligations to society; the legitimacy and powers of the state; the allocation of public and private resources; the rise of bureaucratic administration; and the reproduction of class, race, ethnic and gender inequalities.

The three-year project, funded by the Friedrich-Ebert Institut, concluded in 2018 and the three researchers released a report – *Taxation and State-Society Relations in Sub-Saharan Africa: The case of Cameroon, Mozambique and South Africa*. Dr Alice Soares, Dr Federica Duca and Thatshisiwe Ndlovu write:

Taxation has the potential to contribute to the development and strengthening of democratic institutions and processes and, accordingly, to good governance and accountability. When revenue from domestic taxation is small, the political elite is less inclined to attend to the needs of the masses. Once the state imposes a significant fiscal burden on its citizens, rulers tend to become more responsive to popular demands. Tax



TAXATION

policies can also be used as tools for redistributive measures to promote social justice and equality. Furthermore, in modern societies, taxation is one of the most pervasive aspects of state-society relations.

In October 2018, Dr Federica Duca convened a workshop in Nairobi with taxation activists from 10 African countries. The participants discussed the concept of tax justice from the perspective of their countries and their respective work areas.

Public Policy

School Rationalisation Project – A GTAC Intervention

PARI is engaged in the Schools Rationalisation Project (SRP) with the Eastern Cape Department of Education and the Government Technical Advisory Committee. The SRP aims to improve teaching and learning outcomes through the closure, merger or realignment of small and 'unviable' schools. The SRP was intended to focus on increasing school size, reduce both the distance travelled by learners and costs, enhance curriculum delivery, and improve educational outcomes through the realignment and consolidation of small and unviable schools. The ultimate objective of the SRP is to improve teaching and learning outcomes in Eastern Cape schools.

PARI has undertaken a case study of the intervention. The research design is a qualitative explanatory approach which seeks to understand the factors that enable and constrain the SRP intervention. The case study is intended to extrapolate lessons for future rationalisation efforts and reform in an institutionally complex environment. Researcher Noma Pakade writes:

The case study considers the post-apartheid transition as a continuous restructuring within the education system, the structure and its context in thinking through how both structure and context shape interventions. The systems strengthening approach under the School Rationalisation Project as an intervention incorporated the technical injection of systems and tools. This manifested in a procedural-instrumental type of transformation that entails integration and restructuring. While the design of the emphasises legislative compliance, the institutionalisation of rationalisation beyond the SRP intervention will rely on several factors. The planning and implementation of interventions based on policy frameworks largely depend on mobilised support (internally, within the department and externally, with education stakeholders) for the new rationalisation framework and the complementarity of macro (provincial) and micro (district-circuit-school level) planning.

An important lesson of the intervention lay in its focus on the district and circuit officials as per the Service Delivery Model, that positioned them as the front-line workers. Many policy-oriented interventions focus on the provincial translation of the national policy and outcomes, with beneficiaries at the school level. What emerges from the SRP case study is that the district as a bureaucratic site became somewhat a midway point in the chain of command – crucial to interpreting and implementing policy concerning decentralising authority and autonomy. Their autonomy is tied not only to delegation but also to the authority to determine and deliberate on resource allocation. These should be embedded in an organisational culture that has empowered and institutionalised accountability.

THE PARI TEAM

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Head of Administration: Mpho Mohapi
Head of Finance: Janita Kempen
Head of OIS: Federica Duca

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OIS Coordinator: Paulina Hadebe
Housekeeper: Sindy Siqalo Moyo
Groundsman: Enoch Brighton Nkatha

Communications

Head of Communications: Vishanthi Arumugam

#AfterCapture Campaign

Project Consultant: Florencia Belvedere
Project Coordinator: Baaitse Nethononda

Researchers, Fellows and Associates

Crispian Olver: Associate researcher
Devi Pillay: Researcher
Federica Duca: Senior researcher
Joel Pearson: PhD fellow and associate researcher
Marcus Walton: Post-doctoral fellow and OIS lecturer
Mosa Phadi: Senior researcher
Mahlatse Rampedi: Researcher
Noma Pakade: Researcher
Rekgotsofetse Chikane: Masters fellow

Ryan Brunette: Associate researcher
Sarah-Meny Gibert: PhD fellow and associate researcher
Sifiso Ndlovu: Post-doctoral fellow
Simpfiwe Dzegwa: PhD fellow
Thatshisiwe Ndlovu: Researcher and PhD fellow
Thokozani J. Chilenga: PhD fellow and associate researcher
Thomas Lesaffre: PhD fellow
Waseem Holland: Researcher

Academic mentor: Peter Hudson

STUDENTS

Honours 2019

Athule Nquma
Bandile Nkosi
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Linda Sokanyile
Ntombikayisa Gijana
Sifiso David Nhlapo

Masters 2019

Lily Manoim
Obert Nangara
Onelela Jijana
Shannon Bernhardt
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FINANCIALS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

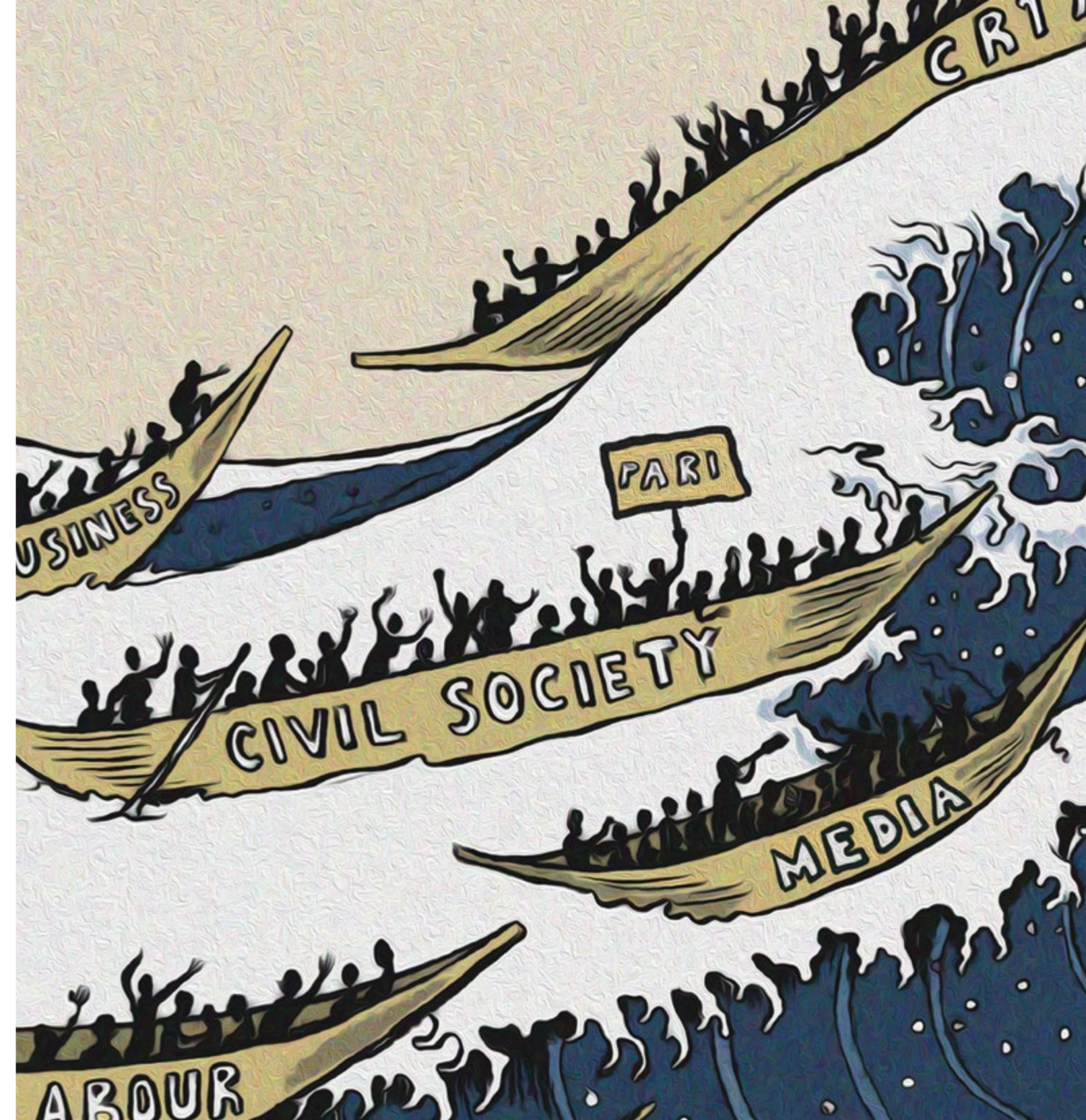
Public Affairs Research Institute (PARI) Registration number 2010/009156/08

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2018

Figures in Rand	Note(s)	2018	2017
Assets			
Non-Current Assets			
Property plant and equipment	2	242 939	277 472
Current Assets			
Trade and other receivables	3	1 861 445	118 823
Cash and cash equivalents	4	10 139 833	9 285 749
		12 001 278	9 404 572
TOTAL ASSETS		12 244 217	9 682 044
Equity and Liabilities			
Equity			
Retained income		4 326 592	3 719 043
Liabilities			
Current Liabilities			
Retained income			
Trade and other payables	5	7 917 625	5 963 001
TOTAL EQUITY AND LIABILITIES		12 244 217	9 682 044

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note(s)	2018	2017
Revenue	6	17 605 204	14 460 482
Operating expenses		17 314 388	14 282 465
Operating surplus	7	290 816	178 017
Investment revenue		286 480	100 938
Surplus for the year		577 296	278 955
Other comprehensive income		30 256	78 409
Total comprehensive income for the year		607 552	357 364



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