

The Real Looters Of South Africa

Ross Welcome to Renegade Inc. Since Nelson Mandela's long walk to freedom, South Africa has faced hurdle after hurdle politically and economically. Mandela's release from prison unified the nation. However, the last president, Jacob Zuma's incarceration lit a national tinderbox. How to Steal a Country is a film that investigates how South Africa and her people have been looted by shadowy fixers, venal politicians and dodgy corporate deals that have all but bankrupted the country.

Ross Rehad Desai, welcome to Renegade Inc., really good to have you.

Rehad Desai Thank you.

Ross You are a former political exile from South Africa. You returned to your home country in 1990. Just give us a little bit of historical context about you as a political exile, but also a filmmaker.

Rehad Desai Yes, I returned when I could with my father and my sister and did what I could to bring about democracy and participate in numerous movements and struggles. And then, decided to go back to university following a failed attempt to get a Ph.D., I really couldn't hack it. I decided to do something a bit more active and go into current affairs journalism and from there went into documentary filmmaking.

Ross A lot of people in the UK have seen the pictures over the last weeks, months, of South Africa literally going up in flames - looting, rioting, lawlessness in general. When they look at those pictures on the corporate mainstream or other media, there's a shrug, really, because they've looked at South Africa since Mandela and seen it going downhill, downhill, downhill. But people who are time poor but really want to understand what's going on, they don't have the capacity to work out the political problems there - the economic problems. Give us a whistle blow tour, if you can, of what's really going on and why we're seeing these riots and this looting, what the root problem of that is?

Rehad Desai Basically, our democracy came at a stage where we thought, that the government certainly thought, that there wasn't any alternative, that we had to go down the hard road of capitalism. And really, we shouldn't be looking at expanding the state or housing, education, transport and so on. There was a massive backlog. They started along that road and then they were convinced by the likes of the World Bank and International Monetary Fund, Margaret Thatcher and Ronald Reagan and all those others, that really you can't redistribute without economic growth. And therefore, everything was put into economic growth. We had some economic growth at the end of the 90s, but it was a jobless growth. So unemployment continued to rise and with it the hardships. Every worker has about, on average, ten dependents. So the wage goes a lot less than it did 30, 40 years ago. In the 70s, we had full employment and now we've got 42 percent people unemployed, 74 percent of those are under thirty five. Massive amounts of desperation and poverty. So, you know, the the political Kingdom first and then all else follows really hasn't worked out. The trickle down theory of economics hasn't really delivered.

Ross That is probably the understatement of the year on this programme. Not only is there no academic research to support trickle down, but when you do go down a Reaganomics root, neoliberal, Thatcherite root, what you immediately get is rent seeking capitalism. And that's really something that you have targeted really hard in your brilliant film, *How to Steal a Country*. Pitch the film and tell us why you came to looking at a really specific set of corporate interests that had captured Jacob Zuma. How did you get there?

Rehad Desai Firstly, it was the biggest story. It was our Panama leaks. It was a massive trove of information that proved what people were suspecting all along but didn't have the evidence - the Gupta leaks. A couple of newspapers online and especially investigative reporting outlets got hold of these and started sifting through them. And that was the beginning of the end. But once the stories came out, spoke quite clearly to me about something that's happening universally around the world where the separation between the public sphere of life, our state, and the private sphere, the corporations, is getting very blurred. All these state regulation agencies, often made up of private corporate players. And this is happening everywhere in the world. So the corruption is becoming the new norm, unfortunately. And you can't do that on the scale it happened in South Africa without the connivance of the likes of your former Lord Tim Bell, Bell Pottinger, without the HSBC and the other big international banks that have been caught really with their fingers in the cookie jar.

Video news clip Zuma announces the axing of Finance Minister, Nhlanhla Nene and appoints the little known Desmond van Rooyen.

Video clip (Barbara Hogan) He was doing a good job. Why go and fire your Finance Minister?

Video clip (Jacob Zuma) I have decided to appoint Mr. David Douglas van Rooyen, Minister of Finance.

Video clip (Thanduxolo Jika) So Des van Rooyen arrives at National Treasury with his three advisers, and one of them was a well known Gupta associate. His cellphone places him around the Gupta compound when the presidential announcement on his appointment was made. We exposed an email with the title that says, 'Gents Finally'. They are celebrating that they now have keys to the vault, which is the finance department, national treasury. And they detail what needs to be done.

Video clip (Barbara Hogan) The markets were just thrown into the abyss. We lost about 500 billion just in currency. We see how unemployment ratcheted up after that. We saw how confidence was lost in the country. We saw how investments stopped flowing. And this isn't just affecting rich people who are involved. This is to do with the lives of every South African who wants to have a decent life on earth.

Ross If we are going to crystallize one moment, that 'Gents Finally' email, surely is it when it comes to the capture, the corporate capture, of South Africa and the general living standards of the general population plummeting?

Rehad Desai Yeah, absolutely. And that was a big turning point, the removal of the finance minister, who was a clean player, refusing to go along with the president at the time. And this

little known guy really triggered the alarm bells for thousands of people. Within a few days, there were 200,000 people on the streets of South Africa for the first time, really racially mixed protests happening, a common purpose, and people could see what was happening. It was the very last resort. And I think, you know, the problem is that anybody who invests or any capitalist worth his salt, needs to know what the costs of production are. And these Gupta's were essentially, you know, starting off at five percent, going to 10, 15, 20, 25 percent. You want to do business with us, you want to do business with South Africa, then you're going to need to row us in and give us our cut. That makes things very unpredictable, very sordid. And that was a big moment, the four day special, they call him - the new minister of finance.

Ross You can't get that kind of rent seeking capitalism through unless you've got a brilliant spin doctor, unless you got an excellent spin machine. Enter the fray. Lord Tim Bell of Bell Pottinger, no less, former adviser to Margaret Thatcher. Margaret Thatcher, famously when she was talking to Augusto Pinochet about the troubles in his country, said, 'well, do you not own all the radio and television stations?' He said, 'well, we've got a lot of them'. She said, 'we'll use them'. You needed that Lord Tim Bell to come in and whitewash all this, didn't you?

Rehad Desai Exactly. And there's no better place than London to go when it comes to white washing PR services. It's the centre of the world when it comes to that.

Video clip (narrator) Somebody decided we need big guns who can change the narrative?

Video clip (Ed Caesar) London has become the reputation laundering capital of the world. This is where you come where you need to be washed clean of your sins. In early 2016, Bell Pottinger won an account in South Africa to look after the holding company for the Gupta family.

Video clip (narrator) So they introduced this term, White Monopoly Capital to deflect attention from the Gupta's. And of course, it worked because the easiest thing to do here in South Africa is to racialize the issues because of the apartheid history. So it gains traction by social media and bots.

Video clip (Susan Comrie) But it was really a clever way for the Gupta's to kind of rebrand their involvement in state capture, to rebrand it as they were these disrupters who were coming in to kind of challenge the powerful economic elite. So what you saw happening was journalists being kind of branded as the servants, the lapdogs, of white monopoly capital.

Video clip (Ed Caesar) South Africa economics is charged with racial overtones. So these were not new ideas, but it was just the deployment of these ideas which were used to distract against claims that Zuma was corrupt, inept and was benefiting his friends. The way that argument was pushed out was through Facebook posts and Twitter memes.

Rehad Desai South Africa has been in dire need of more and more jobs and transformation and quite serious transformation. These guys present themselves as the answer and now they're getting blocked. And the whole social media campaign is really designed to say that, you know, we're getting targeted because we're attempting to meet the needs, and the

pressing needs, of South Africa's population. And that's where we still find ourselves in with very dire poverty, massive levels of unemployment and plummeting living standards that get exploited very easily. Now, Zuma ends up in prison for refusing to give evidence before a commission of inquiry. They begin to say, well, this is what's happening to us. Anybody who challenges the system gets locked in prison and we've got to do something about it. And they targeted chemical plants, ammunition depots, burnt 13 trucks blocking the major highway.

Video clip (Brian Currin) Not only in South Africa, but in sub-Saharan Africa, every single country inherited institutions that were extractive. When you inherit institutions, and they were extractive, it's very easy to fall into the practises of the coloniser. And I think that is part of our problem and what we see today practises that are not dissimilar from what colonisers were doing. If you're able to do that in something that looks like a democracy, it becomes sustainable. And I think the objective was to establish that state and enable it to continue ad infinitum,

Ross So suddenly with the help of your film, the picture becomes a lot clearer. You've got democracy, so-called theatre, if you like, over here, choice, the illusion of choice even. That's one hand. While this is going on here, the other hand is the economic hand. And actually what you've got is a neo imperialism, a neo colonialism. And back to it, at risk of sounding boring, it's rent seeking again. It's taking the rents out of the country and putting them somewhere else, coupled with these Gupta characters, a pay to play mentality, you've got to come through us. Is that a fair depiction?

Rehad Desai Very fair. We've got to remember the South African state that was set up at the turn of the last century was essentially set up by British mining interest industries they designed and implemented. That shifted over time. The Afrikaners came into play. International companies came into play. Our markets became very financialized in many ways, very international. But the big players are still there. And what the Gupta's came in to do was to nudge them out of the way. This created very serious tensions. But you know, the Gupta's come from India and they come from a place where you pay and you buy your politicians. It's a tried and tested policy and they bet on the right man with Jacob Zuma. And he ensured that these ministers would be put into place who would play the game with the Gupta's. And in the process, we saw a trillion rand lost from our economy to the Gupta businesses and their surrogates. And a massive patronage network developed around Zuma. And this is the problem that we continue to face today. You know, he's not going to be easily dislodged, his so-called radical economic transformation faction inside the African National Congress. It's big. It's neither radical nor is it transformative. And this is the fundamental problem we face and the fundamental problem Cyril Ramaphosa faces in dealing with this faction inside his party.

Video clip (Kumi Naidoo) People in big business think they can behave exactly how they want. They can engage in corruption. They can see money from a dairy farm in the free state paying for a Gupta wedding and still get away with murder. We have to be very vigilant about this white monopoly capital. Who is McKinsey? Who is KPMG? These are global white monopoly capital companies. So we see that most of the collaboration, most of the state capture and so on, is as with these companies that meet that definition.

(Video clip narrator) I would say if there's one thing that allowed state capture to flourish, it was secrecy. The Gupta's needed offshore companies. They needed places like the UAE, they needed Hong Kong. They needed bank accounts and companies in those places to act as part of the laundry machine.

Ross At risk of being incredibly monotonous, we are back to companies arriving, taking the rents, putting them offshore and everyone else suffering from it. It is no wonder, and I'm not for a second condoning violence, rioting or looting, but when people are that desperate, it is no wonder that this is the logical response to people who've had their hand in the till for so long?

Rehad Desai Absolutely. These were food riots that we saw. These were people, you know, primarily tens of thousands of people that ransacked 150 shopping malls were after food, first and foremost. Of course people take electrical goods and soft goods. That's what happens these days. But this was people of South Africa saying, 'well, my right to eat, my right to survive is actually more important than private property relationships, capitalist property relationships'. And it's been a wake up call. The government do, I think, have an understanding that the massive upheaval which occurred after the attempt to sabotage parts of the country is a tinderbox waiting to be ignited. Now, the problem we have in South Africa is after 25 years of democracy, the gap between white and black wealth is still very much intact. It's actually widened. Inequality has deepened and it's very easy for people to say, 'well, it's the white people who have got it and we haven't'. Extreme wealth lives side by side with extreme poverty. And those levels of inequality are a recipe for unhappiness and for people to opportunistically exploit. So even though our government had 25 years to redress the problems, regulate capitalism, you know, put in decent levels of taxation on the super wealthy and the very profitable, it hasn't done so. And we've suffered as a consequence as a country. And what we've seen is what they call a re-racialization of the country.

Ross So suddenly the picture is a lot clearer. We now know why people are rioting. It's not because they want a new plasma. A few of them do, but ultimately they want to eat. So we want accountability. Enter the fray, Jacob Zuma. He is called to the Zondo Commission, but he's called and wants to make a statement to begin with. Let's have a look.

(Video clip narrator) Everyone was so excited when Zuma finally was going to come and testify at the Zondo Commission because we really thought it would be this opportunity to kind of grill him about every scandal that he had put us through as a country for the past decade. For his supporters who were in the hall, it was about seeing him being defiant in the face of those allegations.

Video clip (Commission of Inquiry Judge) Do you swear that the evidence you going to give will be the truth, the whole truth and nothing else but the truth? If so, please raise your right hand and say 'so help me God'. Mr Zuma, I understand from your counsel that before any questions can be put to you, you'd like to state your side of the story. This is the opportunity that I am giving you to do so before any questions can be put to you.

Video clip (Jacob Zuma) In 1990, there were three intelligence organisations that met to discuss me and had the plan to begin a process of character assassination of Zuma. That's the beginning of the process that is put to me where I am today.

(Video clip narrator) Jacob Zuma spends several hours saying that state capture was nothing but part of this plot that had been continuing for decades to get him out of power.

Ross Rehad, just tell us then finally, just finish the circle if you like, just tell us the disinformation he's trying to say.

Rehad Desai Basically, he's trying to say all the allegations and the evidence that has come before us is manufactured to undermine him, to ensure that he lost state power and the claims of his faction. That really this is a conspiracy that's been hatched in the West 30 years ago and to ensure that he never came to power, and if he did, he would never succeed. He's constantly played the victim and it plays well in South Africa. That's what he's playing here. He's playing the victim of a conspiracy that none of this has any basis of truth and therefore, in the process to mobilise his support base and public opinion behind his fight back.

Ross So Zuma plays the victim - bless him. We often ask on this programme cui bono, to whose benefit? If there has been some kind of elaborate conspiracy put in place, who benefits from what's going on in South Africa at the moment?

Rehad Desai Well, the only person that is going to benefit is Zuma and his wide patronage network. They're still in place. They're still in the government. They're still in numerous departments and they're still in high ranking positions within the ruling party. And this looting - and they are the real looters - will continue unless he's really, you know, his factions are torn apart. Now, the General Secretary of the African National Congress has been suspended because he's facing now charges around the dairy farm scandal with the Gupta's. So two of the top people involved in this have their heads on the block,

Ross How does it end?

Rehad Desai Well, it can only end positively if Cyril Ramaphosa is prepared to go against the whole array of leading ANC members, leading ministers and leading government civil servants, who we know are continuing to use their position of power to enrich themselves. And the problem is that this could tear apart the ruling party, the African National Congress. And we have an election coming in February of next year.

Ross Will he do it?

Rehad Desai Well, I think he's going to continue to play very softly, softly. We have a minister of health that's just taken 150 million rand, the equivalent of 10 million pounds or so for a communication campaign around Covid and pocketed much of that with his partners in crime. That's from Ramaphosa's own faction. So we have a real credibility problem here, a real crisis of legitimacy for the ANC. Is Ramaphosa prepared to worsen it by continuing to open the can of worms and to go against Zuma? We've seen what the Zuma faction are prepared to do. Does he have the stomach for a fight to the end is the question and to renew the African National Congress, to clean it up?

Ross Thank you very much for your film. We wish you well with your next project, which apparently is a time of pandemic's. We look forward to it. Rehad Desai, thank you again.

Rehad Desai Thank you, Ross. It's been a pleasure.