

Send books for review, and book reviews to:

Book Review Editor (*New Contree*)

Mr Charl Blignaut

North-West University (Potchefstroom Campus)

charl.blignaut@nwu.ac.za

The *New Contree* Journal publishes reviews of significant books that are relevant to historians. Book reviews are written on invitation from the office of the review editor, but unsolicited reviews may also be considered. *New Contree* has an interdisciplinary outlook and welcomes suggestions of historically significant works written by scholars in other disciplines. The review should be submitted to the review editor within two months of receipt of the book. If this deadline cannot be met, a mutually agreeable alternative date can be negotiated. If it becomes impossible to review the book, it should be returned to the review editor. All reviews will be submitted to the members of the editorial board before acceptance for publication.

Contents and additional (or book) references

The review should summarize what is important in the book, and critique its substance. The reviewer should assess the extent to which the author achieves the stated aim of the book. It is important that the reviewer should engage the material instead of simply reporting the book's contents. For this reason, the reviewer should try to avoid summations of book chapters or the separate contributions in an edited collection. Instead, the reviewer should assess the ways in which chapters and contributions are relevant to the overall context of the book. Reviews should be written in a style that is accessible to a wide and international audience.

Any use of references or additional references from other sources must be informed on in footnote style.

Format

The review should generally be between 800 and 1 200 words, and should include as little bibliographic data as possible. When necessary, use page references for quotations in the text of the review and provide complete bib-

liographic details of the source. The review should begin with a heading that includes all the bibliographic data. The elements of the heading should be arranged in the order presented in the following example:

The early mission in South Africa/Die vroeë sending in Suid-Afrika, 1799-1819. Pretoria: Protea Book House, 2005, 272 pp., map, chronology, bibl., index. ISBN: 1-9198525-42-8. By Karel Schoeman.

Do not indent the first line of the first paragraph, but indent the first line of all successive paragraphs. Use double spacing for the entire review. Add your name and institutional affiliation at the end of the review. Accuracy of content, grammar, spelling, and citations rests with the reviewer, and we encourage you to check these before submission. Reviews may be transmitted electronically as a Word file attachment to an email to the review editor. If you have additional questions, please contact the Book Review Editors.

Shadow state: The politics of state capture

(Johannesburg, WITS University Press, 2018, 159pp. ISBN 978-1-77614-212-5)

Ivor Chipkin & Mark Swilling

Emile C Coetzee

Mahikeng Campus of the North-West University

24117889@nwu.ac.za

The writing of exposés about the scandals of government is nothing new in South Africa. As the latest work of Heynie Heydenrych proved, the journalist Eugene N Marais wrote obsessively about the scandals of the Paul Kruger administration during the last decade of the ZAR.¹ Government scandals did not disappear with the advent of the 20th century. Especially the National Party would deliver their fair share of scandals such as the Information Scandal in the late 1970s. Just so, the African National Congress (ANC) is also not innocent when it comes to the misuse and abuse of government power. Paul Holden has already showcased this in his book about the Arms Scandal

¹ H Heydenrych, *Skermutselings en skandale Paul Kruger deur ander oë, 1890-1895* (Pretoria, Imprimatur, 2017).

of 1993.² If Sir John Dalberg-Acton's famous phrase "Power corrupts but absolute power corrupts absolutely" is true then this book by Ivor Chipkin and Mark Swilling will most certainly be of great importance in any historical case of State capturing against the Zuma administration (2009-2018).

Ivor Chipkin is the founding director of the Public Administration Research Institute (PARI) which is linked to the University of the Witwatersrand and the University of Cape Town. Chipkin has already made bold strides in institutional studies. His co-author Mark Swilling is a Distinguished Professor in Sustainable Development at the University of Stellenbosch. His prime research focus is defined as the study of societal transitions especially within governance. They were assisted by a pantheon of researchers, some who gave a pseudonym out of fear of what could happen if their real name was to be made known. It was a fear not unfounded. Every South African can attest about the struggles and frustrations of living under the Zuma administration and the mess that President Jacob Zuma, his posse of conspirators and the infamous Gupta family (henceforth Guptas) created in South Africa. There was skulduggery committed in the offices and houses (such as the Guptas' house in Saxonwold) of elected government officials and representatives of the private sector. If there was ever a time when the World needed a clarification of what happened when these political officials and businessmen met and conspired, it is now. Chipkin *et al.* provide a great deal of clarity in this book about how the South African Constitutional State became a vassal of the Shadow State that was planned through malice of forethought. A Shadow State that had no intention to help the destitute in South Africa, help to develop the country's economy or to keep the societal relations between communities healthy and respectful. This Shadow State would have still continued to sow its malice if it was not, based on this book's argument, for the conscience of Minister Pravin Gordhan and Deputy Minister Mcebisi Jonas.

It is explained at the very beginning of this book that the Guptas met with Deputy Minister Jonas and tried to bribe him with a gigantic sum of money for the sake of his loyalty to them. They wanted Jonas to become the Minister of Finance and make sure that the country's Treasury would be opened to them and their schemes. Confronted with the proposition, Jonas refused their offer and found it appalling. What followed was his dismissal and an opportunity to convey his concerns to Swilling, a former colleague of his from

² P Holden, *The arms deal in your pocket* (Johannesburg, Jonathan Ball Publishers, 2008).

the Eastern Cape, and soon the urgency to make the dealings of the Shadow State known to all and sundry became apparent.

PARI subsequently released a report on the information that was obtained from people that were willing to speak. The report was titled: *The Betrayal of the Promise* and can still be downloaded from PARI's website. This report was only the beginning. This book is the obvious and logical consequence in which the authors could further unpack the Shadow State in an understandable and well written narrative.

The origins of the Shadow State is the focus of the first chapter. Here the authors clearly create the difference between what is corruption and State capturing. Maybe it is forgivable that the mainstream media did not indicate to the public that the economic crimes that were truly committed during the Zuma administration was not plain corruption but a heinous economic crime known as State capture. An economic crime that has had and will continue to create severe social-economic issues in South Africa for the duration of the first half of the 21st century. If social justice is the key ideal in the present time, then the guilty parties of State capture deserve to face the full brunt of the Justice system. This book will help any researcher and member of the reading public to see why such a bold statement can be made.

The first chapters of the book also explain the different factions within the ANC and within the South African government concerning State capture. The constitutional transformers wanted to change the political dispensation of South Africa and make use of the ANC government's economic policies to uplift the impoverished Black South African communities. The radical reformers on the other hand wanted to make use of the same economic policies but with another goal in mind.

It was their plan to utilise the tenders and the procurement process within State-Owned Enterprises (SOEs) for their exclusive benefit. Also the filling of vacancies in the SOEs with people who were closely-tied to powerful figures such as Zuma and the Guptas was part of the radical reformers' strategy. No proper, fair and transparent processes were to be followed and if anyone complained, especially someone from a minority group, it seems that they would have been dealt with severely. State contracts and jobs were the province of people who were indebted to Zuma, the Guptas and their brokers for the sake of keeping their loyalty for when it was needed. Like a true Mafia-like system, tenders through what was called preferential procurements (an old trick by

South African governments) would be used to enrich only those who were close to Zuma and his posse. The Guptas did not only knew this but relished in the possibilities of making use of South Africa's racial-orientated economic policies (again an old trick by South African governments) to increase their fortunes.

The Guptas (Ajay, Tony and Atul) were poor Indian citizens who arrived in South Africa in 1993, just before the ANC was elected into power. Operating within the Information Technology (IT) industry they were able to worm their way into the confidence of several ANC politicians, including Jacob Zuma. Soon a string of new companies, even shell companies, were created to obtain government tenders with inflated amounts as its reward. It is in the third chapter of the book where this systematic approach to obtaining tenders and inflating the prices are showcased. Aiming for government tenders in Transnet, PRASA and Eskom the Guptas were able to either obtain a tender with their own companies or with companies in which they had the largest amount of shares. The Guptas made sure that family members of Zuma or other influential people were directors in their companies. A prime example is Duduzane Zuma, the son of the former president, and his role in the company Tegeta Exploration and Resources. It was Tegeta that received large amounts of money from Eskom to buy the Optimum Mine and this major case is concisely and masterfully described within this book. What becomes apparent is the malice of forethought on how every single contract by a Gupta company was obtained by making use of the ANC government's economic policies. For example, it was expected for international companies to subcontract local businesses. Surely it is a useful contract stipulation when specific parts need to be manufactured in South Africa for the use of SOEs, for example the trains and locomotives that both Transnet and PRASA bought for public transportation. The Guptas were able to swindle their way into becoming the local producer for international companies who obtained State tenders. Through the manufacturing of goods, for example with their VR Laser Company, and also in financial and management services, for example their company Trillian Asset Management, the Guptas were able to reap the benefits of State tenders. The fact that the Guptas influenced the decisions to whom State tenders should be given to is where the criminal element of the narrative is to be found. Not only did the Guptas influence the appointment of cabinet ministers but also to which companies SOEs' executive boards should give tenders to. Naturally to a company which they, the Guptas, established or had shares in.

The Guptas had a sinister spider's web of companies which had a regiment of supporters in the private sector and within government, even in the cabinet. By the end of the third chapter of the book, the reader will be convinced that during the 2010s, there were in effect two South African states and it is hard to believe that President Zuma was in control of either. The Guptas could ignore statements from the Treasury when their Denel Asia deal was called out to be illegal. The reviewer shudders to think about the reality of patents of South African designed military equipment that was sold to the Guptas via Denel Asia that resulted in other countries obtaining it. Equally it is frightful to consider the large amounts of money that the Guptas were able to launder through their company Homix before they left South Africa in the dead of night in April 2016. In the words of Alan Paton's famous book: Cry the beloved country!

The final chapter can be seen as an analysis of the South African case of State capture that occurred during Zuma's presidency. The criminological and political theories that are explained in the first two chapters now finally find a stable understanding in the final chapter. The famous journalist Ferial Haf-fajee delivers the required epilogue for the book's narrative to finish. Questions about the scandalous State capturing will, however, be legion by the time a reader finishes this book. So it should be because of the fact that the scandal is not over yet. The final act is still to be played out. With the Commission of Inquiry still not finished and no person being imprisoned for their part in the State capturing process, even though some have been humiliated in public, this book is the necessary reading material before the lights are dawned on the public stage for the final act to be played out.

The only issue the reviewer has is the lack of images of the relevant people and companies which are mentioned in the text. Though the same names are mentioned regularly, images will make it easier for any reader to remember how all of the relevant people were linked together in the capturing of the State. The brief explanations of key terms are indeed useful as is the graphics which indicate the brokerage system that was used and how the Guptas laundered the money from tenders (tax money I should add) through their range of companies.

Given the contemporary nature of this scandal it is understandable why the writers lean a great deal on the articles and commentary of specific South African newspapers. A collection of documents were obtained from people who were privy to the State capturing process but it is obvious that more docu-

ments will be revealed for public viewing in the future. Still this is indeed a useful book for historians, criminologists, political scientists and commentators, economists, law students and legal practitioners and for the public as a whole. It should be read with the aforementioned report and also the Public Protector's preceding report about the same issue. This book will undoubtedly be classified amongst the other publications that showed the criminality that was evident within the Zuma administration. Necessary it is also, so that any sycophant of the ANC government would need to think twice before making vague statements about what the ANC's intentions were. Also it will be clear to all who read it how the racial orientated policies of the ANC did not uplift Black South Africans, to reverse the legacy of the National Party's Apartheid policies, but in the end only enriched a select few at the expense of the South African population in general. An accusation that the ANC will forever carry as the National Party carries the heavy burden of Apartheid-era atrocities. Remember, it took one family to capture an entire nation by wooing the ruling party, its president and his posse of supporters. If so, where is the genesis of this State capturing scandal? Correctly this book argues that it is at the toppling of President Mbeki at the ANC's conference at Polokwane in 2007. The birth of the Shadow State soon followed.