Using E-government to curb corruption in the Public Service

Vanessa Lerato Phala, Department of Public Service and Administration, outlines how technology can help fight corruption.

In 1998, then Deputy President Thabo Mbeki cautioned against the perils of moral degradation in South African society. The moral degeneration is reflected in high levels of crime, disrespect for authority, disregard for the rule of law and the erosion of key institutions such as the family.

For some time now, corruption has been a feature of the South African public service. Some of the challenges facing the country’s fragile democracy are the practice of good governance and fighting corruption. Government now prioritises the fight against corruption. Numerous anticorruption programmes and projects are now in place that include watchdog agencies to identify corrupt practices and bring them to the public attention.

Background

Globally, concerns around corruption have intensified in recent years. Although corruption is a universal problem, it is more harmful in emerging democracies. It endangers the stability and security of societies and threatens social, economic and political development. It also drains the government of resources and destroys opportunities for international investments.

Since corruption has economic, political, social, legal, administrative and cultural dimensions, combating it requires a multi-disciplinary approach. It needs to be tackled at the national, regional and international levels. This has resulted in South Africa forging partnerships with regional and international bodies in the fight against corruption.

In October 1999 the South African government co-hosted the 9th International Anti-Corruption Conference (IACC) in Durban in collaboration with Transparency International. This was the first IACC convened in Africa and was the largest thus far with some 600 delegates from over 135 countries drawn from government, business, civil society and international organisations. African concerns and perspective on corruption have been injected much more intensively into the global discussions on how best to tackle the problem.

Regionally, South Africa has ratified the Southern African Development Community’s (SADC) Protocol against Corruption (2003); continentally it has ratified the African Union Convention on Preventing and Combating Corruption (2005). Furthermore, the government of the Democratic Republic of Congo has requested the South African government to assist with establishing a comprehensive anti-corruption framework in the DRC. Globally South Africa has ratified the United Nations Convention against Corruption (2004).

During the 4th Pan African Conference of Public Service Ministers which South Africa was chairing in 2003, the Capacity Development Programme was adopted, which includes a project on ethics in Africa. At the 5th Pan African meeting in December 2005, South Africa hosted a workshop dedicated to fighting corruption in the region, which culminated in the ministers taking very specific decisions on implementing regional initiatives. South Africa will continue to chair this important forum until 2007.


Defining e-government and corruption

E-government refers to government’s use of information communications technology to promote more efficient and effective government, allow greater public access to information, make government accountable to citizens and deliver better services to the public. E-government is essentially more about reforming government and delivering services to the public than about the application of specific technology.

It involves delivering services via the Internet, telephone, kiosk, wireless devices or other communications systems. The opportunity is to transform service delivery rather than replicate current practices on-line.

Meanwhile, organisational and individual capacities need to be built with adequate telecommunications infrastructure, hardware and software to support e-government initiatives. Commitment and resources are required to train stakeholders from senior officials to clerical staff, as well as citizens, on specific applications, and increase computer literacy in general.

According to the World Bank, e-government refers to the use of information technology by government agencies that has the ability to transform relations with citizens, business and other arms of government. These technologies can serve a variety of different ends, better delivery of government services to citizens, improved interactions with business and industry, citizen empowerment through access to information, or more efficient government management.

The resulting benefits can be less corruption, increased transparency, greater convenience, revenue growth, and/or cost reductions.

A well-planned e-government strategy can make leaps into building a more efficient, accountable and transparent government. If planned with representation from key stakeholders, e-government applications can rebuild citizen trust in government and promote economic growth by improving interface with business.

Furthermore, it can also empower citizens to participate in advancing good governance. While e-government is not a panacea for the complex and deep-rooted problems of corruption, it should be acknowledged that ICT possesses the ability to contribute effectively towards any anti-corruption efforts.

The United Nations Development Programme (UNDP) defines corruption as the misuse of public power, office or authority for pri-
When e-government applications are used to fight corruption, it is critical that four key anti-corruption strategies - prevention, enforcement, access to information and empowerment; and capacity building - are integrated in the design and implementation process. Efforts to prevent corruption can be complemented with e-government strategies that review and clarify procedures and practices, and design systems that simplify, standardise and de-personalise the delivery of services.

Of course this needs to be complemented with civil service reform as well as societal education efforts in reducing tolerance to corruption and reinforcing fundamental values such as honesty.

E-government can also help monitor corruption and hence better enforce laws and policies that ensure accountability and transparency by standardising data collection methods, tracking actions and decisions, and developing a feedback/compliance mechanism. This has to be complemented with the development of institutions, laws and practices that protect whistleblowers, impose powerful disincentives for corruption and punish those involved in corruption.

E-government must meet these objectives in order to reduce corruption, increased access to information, transparency and accountability. All these objectives can curb corruption. Media, as an alert watchdog, plays a significant role in providing information and generating widespread debate around significant issues of public concern.

However, governments should bear in mind that e-government does not guarantee the end of corruption. Officials who master technology-empowered processes can find new opportunities for rent seeking. Under such circumstances, e-government may simply cause an inter-generational shift in corruption toward younger, more tech-literate officials.

**Methodology**

A combination of qualitative and quantitative research methodologies was employed to collect the primary sources of data. For qualitative data collection methods unstructured face-to-face interviews and/or telephonic interviews were used. This approach is quite informal and suits the nature of the research. Data collection using face-to-face interviews often results in serendipities that increase the value of the data.

This research also employed quantitative techniques to collect primary sources of data mainly from the Department of Social Development web site, the Special Investigative web site, the National Anti-Corruption web site, and the World Bank web site. Secondary data collection methods through desktop research techniques supplemented the research study.

**Technology description**

The SOCPEN system is a result of the amalgamation in 1998 of about 34 different systems which were previously used in silos by different government institutions. It is the biggest payment system in South Africa as compared to other systems such as the Government Employees Pension Fund. The system runs on Open...
The implementation of the SOCPEN system, like any other IT systems, had some challenges. This was as a result of the amalgamation process which resulted in the duplication of data, such as ID numbers. The SOCPEN system required both information of parents and children while the previously used systems only required information regarding parents. Then there was the human element, where people were skeptical and reluctant to use the system, and is not a user-friendly system. And most importantly, connectivity was a huge challenge especially in municipalities in previously disadvantaged rural communities.

Currently, the Department of Social Development and the Social Security Agency of South Africa are embarking on modernising the system, to make it a web-based application in order to enhance its usability. In terms of future plans, there are a number of anti-corruption initiatives which are in the pipeline to further curb corruption in the public service. However, these cannot be disclosed as they are confidential and not yet public information.

**Developments**

In the past few years, the government has taken several significant steps in cleaning the public administration system of corruption and responding to local and international pressure to ensure good governance, greater openness, transparency and accountability.

One of the first steps involved a Public Sector Anti-corruption Conference in November 1998. Its resolutions addressed such issues as defining corruption, restoring a public service ethos, the role of civil society, the responsibilities of public sector managers, financial management and controls, and co-ordination of anti-corruption structures.

A National Anti-corruption Summit was convened in April 1999, involving government leaders, organised business, organised religious bodies, the NGO sector, donor countries, the media, organised labour unions, academic and professional bodies and the public sector. The National Anti-corruption Summit created a powerful platform for the National Campaign against Corruption in that it recognised the societal nature of corruption, and that the fight against corruption requires involvement of all stakeholders, a national consensus and co-ordination of activities.

The summit adopted a range of resolutions for implementation in the public, business and civil society sectors in South Africa. These resolutions relate to combating and preventing corruption, building integrity and raising awareness.

In order to fast-track South Africa’s anti-corruption initiatives, an Anti-Corruption Strategy was approved by Cabinet in January 2002, and implementation commenced in February of that year. This strategy contains nine considerations that are inter-related and mutually supportive:

- Review and consolidation of the legislative framework;
- Increased institutional capacity to prevent and combat corruption;
- Improved access to report wrongdoing and protection of whistleblowers and witnesses;
- Prohibition of corrupt individuals and businesses (blacklisting);
- Improved management policies and practices;
- Managing professional ethics;
- Partnerships with stakeholders;
- Social analysis, research and policy advocacy; and
- Awareness, training and education.

In order to fulfill some of these considerations the Special Investigating Unit (SIU) was established in 1996 to investigate corruption and maladministration, and to take civil legal action to correct any wrongdoing in the public sector.

Since August 2001 the SIU has rapidly expanded its capacity to fight corruption. Much of this expansion has been by forming partnerships with departments who funded the SIU to create a dedicated anti-corruption capacity to work with them, including the Department of Justice and Constitutional Development, the Department of Social Development, Eastern Cape Department of Housing, Local Government and Traditional Affairs, and the Department of Transport.

**Results**

In 2004 the Special Investigating Unit was tasked by the Minister of Social Development, Mr Zola Skweyiya, to investigate and redress any impropriety, including fraud, corruption and maladministration, in relation to the administration of the social grant system.

Over the past few years, there has been an enormous increase in the number of beneficiaries as government introduced a child support grant, and disability grants. To date, the total number of beneficiaries is 11 million. With these grants becoming widely accessible, losses due to fraud and corruption have conservatively been estimated at approximately R1.5 billion per annum.

The SIU worked closely with Department of Social Development, South African Police Services (SAPS) and National Prosecuting Authority (NPA) in the investigations. A national steering committee has been established which ensures coordination of the investigation and activities of the role-players.

Proclamation R18 of 2005, published on 6 April 2005, mandated the SIU to investigate the payment and/or receipt of social grants or benefits by unqualified beneficiaries and the irregular or unlawful conduct of governmental officials and/or agents responsible for the administration and/or payment of social grants or benefits.

The process of identifying who was receiving grants was done by comparing the ID numbers on the Social Pensions Database.
(SOCOPEN) to ID numbers on the Government Personnel Salary system (PERSAL). This comparison resulted in approximately 44,000 officials being identified as being on both databases. Then using a means test (as prescribed by the Department of Social Development) the data was analysed and graded.

The grading process was as follows:
- Person was entitled to their grant;
- Person is not entitled but due to an official's error they are receiving a grant;
- Person was not working when they got their grant but subsequently their financial situation changed and they are no longer entitled to the grant. (they did or have only received this grant for a period not exceeding 12 months);
- As per two above but have been receiving the grant illegally for more than 12 months; and
- Person was employed and earnings in excess of the means test when application were made.

Investigations have established that amongst the 41,000 officials registered on the system, some government officials have defrauded the social grant system by misrepresenting their financial status, which allowed them to qualify for a social grant. In other instances, government employees who initially qualified for a social grant due to their financial status and who had improved their status, failed to notify the department of this change in status. Grants that are most affected are the disability grant, care dependency grants, old age grants and child support grant.

Certain cases revealed that doctors declared individuals as disabled or dependent, which allowed them to qualify for these grants. Investigations concluded that assessments by these doctors were falsified as these individuals were found to be without disability or were not a dependent. False affidavits were submitted by attorneys or community leaders thus supporting unlawful application by individuals for child support or old age grants. In some cases offenders also procure false identity documents to defraud the social grant system.

**Business benefits**

The 12,387 officials found guilty of defrauding the state will face prosecution and disciplinary action. In addition, 15.5% interest a year will be added to the outstanding debts they are paying. Of this 1,123 were signed by public servants in Gauteng, 1,041 in KwaZulu-Natal and 463 in Mpumalanga.

A report by the Department of Social Development argued that a case arise where a public servant refuses to pay an indebted amount, most of them junior officials, the matter will be referred to the state attorney for legal action against such a debtor. About 400,000 members of the public were suspected of illegally pocketing social grants and are under investigation, also parents who registered their own children as foster children to access grants are also under scrutiny.

The Department of Social Development has saved the government more than R600-million over the past year as a result of its anti-fraud campaign. Savings of more than R400-million had laid a solid foundation for the new Social Security Agency. R47-million had been allocated in this year’s budget (2006/2007) to accelerate “your ground-breaking collaboration” with the Special Investigation Unit. Lessons learnt from the collaboration with the SIU had resulted in improved review processes of the recipients of disability grants. An additional 150,000 recipients of temporary disability grants had been reviewed with “very little disruption of disbursement processes”. As a result, a total saving of more than R200-million had been achieved.

These savings have resulted in the increase of social grants as stipulated by the Minister of Finance, Mr Trevor Manuel, in his February 2007 Budget Speech.

In order to consolidate the integrity of the social security system and related processes, the Department of Social Development has increased the national budget allocation for system integrity from R24-million in the current financial year to R60-million in the next financial year (2007/2008). Some of these funds will be devoted to strengthening the department’s management information systems. The department is committed to drastically reducing the turnaround times for grant applications, to improving the effectiveness of the risk management processes, and to standardising reporting procedures across provinces.

**Conclusion**

Although South Africa has laid the foundations, it is still an anti-corruption construction site with more still to be done. Government is proud of its contribution to creating a sound and efficient anti-corruption framework. Through partnership, nationally in the forum, regionally and internally with other partners such as international public organisations, the current framework can be improved and the fight against corruption intensified.

As already stated above, efforts to prevent corruption should be complemented with e-government strategies that review and clarify procedures and practices, and design systems that simplify, standardise and de-personalize the delivery of services.

This paper recommends that when e-government applications are used in fight against corruption, it is critical that four anti-corruption strategies prevention; enforcement; access to information and empowerment; and capacity building are integrated in the design and implementation process.

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Outside the legal paradigm discussions and debates surrounding the negative impact of software patents on local innovation have concurrently gained momentum.