

Why removal of South Africa's tax boss is key to Ramaphosa's chances of success

By Dirk Kotze

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South African President Cyril Ramaphosa has changed the country's political landscape significantly since he came to power in February 2018. This has strengthened his position to carry out his ["renewal agenda"](#).



Tom Moyane has been fired as South Africa's tax boss on the recommendation of a commission of inquiry. Sunday Times/Masi Losi

Immediately after his inauguration, he replaced [ten cabinet ministers](#). He also moved those closely allied to his predecessor, Jacob Zuma, to other portfolios.

Since then, he has moved to fix the leadership of the criminal justice system institutions (such as the National Prosecuting Authority and crime intelligence) which were weakened under Zuma. Shaun Abrahams has lost the key position of National Director of Public Prosecutions; this contributes towards bringing Zuma's hold on the country's [criminal justice system to an end](#). Zuma faces multiple charges of corruption, fraud and [money laundering](#).

In addition, several Zuma acolytes have lost their positions at the helm of parastatals, which, according to Public Enterprises Minister Pravin Gordhan, were ["repurposed" to benefit a few](#) under Zuma.

But of all the steps Ramaphosa has taken, his latest – [sacking Tom Moyane](#) as the head of the South African Revenue Service (SARS) – is the most significant. The president removed Moyane from the job following recommendations made by a commission of [inquiry into tax administration and governance](#).

Moyane's axing ends one of the last vestiges of Zuma's continued influence in the country's governance. It's also important because Moyane played a critical role in the three focus areas of Ramaphosa's post-Zuma agenda. These priorities are economic innovation and vitalisation, dismantling the state capture infrastructure and culture, and ridding the governing African National Congress (ANC) of Zuma's influence.

All three are related. Moyane touched them all.

Why the tax agency matters

Zuma succeeded in controlling the criminal justice and [intelligence system](#). But he could not achieve the same in the public finance sector. Moyane's appointment to head the all important Revenue Service was, therefore, a breakthrough for him.

There are two ways in which revenue services can be used to nefarious ends. The first is that, as part of its job of collecting revenues, the service gathers sensitive personal information on individuals. The manipulative potential of this information is invaluable for politicians.

The second is that controlling the tax collection process opens the door to officials exploiting it as a patronage instrument. For example, it's possible to protect politicians and others who do not comply with tax laws.

Before Moyane took over the revenue service it played a key role in combating organised crime. This was particularly so in the tobacco and cigarette industry, which is linked to wider and [international criminal networks](#). Moyane dissolved the special units that did this investigative work.

How did Moyane come to play this crucial role?

Moyane has been a career public official. He served in the [State Information Technology Agency](#) – the government's main IT agency that manages big networks, such as those for paying social grants that benefit 17 million people. He also worked in the Government Printing Works and the Department of Trade and Industry. He headed the Department of Correctional Services before becoming the [National Commissioner of the Revenue Service](#) in September 2014.

More significant, however, is his political background. He was in exile in Mozambique and Guinea-Bissau. He studied BSc Economics at the Eduardo Mondlane University in Maputo. During his [exile years](#), dating back to 1976, he and Zuma became very close friends.

Maputo (and Swaziland) played a very important role in forming friendships and [political alliances for Zuma](#). He appointed several of these friends to key positions during his presidency.

It's likely that Moyane was handpicked directly by Zuma and that he wasn't put into the job by the ANC as he has never been a member of the party's National Executive Committee – its highest decision-making body in between national conferences.

Moyane's exit

It's uncertain if Moyane was acting mainly to protect or promote Zuma's interests at the South African Revenue Services, or whether he was simply a willing agent for other interests, mainly in the private sector, that coincided with Zuma's interests.

Also unclear is the revenue service's exact role in [state capture](#) under him, by exploiting its position as the best placed state institution to monitor individuals' and companies' financial flows.

The Nugent commission of inquiry will hopefully provide [more clarity](#) on this, in its final report expected at the end of November.

Evidence before the commission and several media exposes have provided important insights into Moyane's [destructive tenure](#) as SARS head.

This makes his departure a key prerequisite for restoring SARS to being the effective revenue collector and the centre of excellence in government it was before Zuma appointed Moyane to its helm. The importance of this to Ramaphosa's economic recovery plan cannot be overemphasised.

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