

RED FLAGS OVER ESKOM'S 'NEW NEW' BOARD

Is Eskom's revitalised new board already on a resolute path to losing whatever collective spine it may have started the job with? Certainly, the board – which includes such luminaries as former Altron CEO Mteto Nyati – appeared to fold like a turbine at Kusile at the ANC's displeasure with the no-holds-barred interview given by outgoing CEO André de Ruyter last week.

It bodes ill for whichever supremely brave – or ignorant – candidate comes forward to take over what The Washington Post has described as the “worst job in global energy”.

The Post's take is suitably scathing – and more than a little inconvenient for Eskom's board, not to mention Pravin Gordhan's public enterprises department.

Said the newspaper last week: “An honest job ad for the role should read something like this: ‘Eskom seeks a new CEO. Reporting to the board, the successful candidate must end more than five years of blackouts in 12 to 18 months – or he/she will become a convenient scapegoat and public punching bag.’” It adds that any CEO should be “comfortable dealing with corrupt politicians, a decrepit park of power stations, a meagre maintenance budget and a coal lobby determined to stop expansion into solar and wind power”.

What the Post *didn't* mention, but perhaps should have, is just how tenuous support from the board also apparently becomes at the slightest hint of political pressure.

In the past week, Eskom's recently appointed chair Mpho Makwana has been doing damage control after De Ruyter's television interview, in which he spoke of how the utility had become a “feeding trough” for the governing party and mocked senior politicians' lexicon of outdated Cold War clichés.

Makwana was stirred enough to dismiss De Ruyter's claims of graft as “reprehensible”,

since he hadn't discussed those allegations with the board. This suggests, depressingly, that Makwana is more concerned with procedural niceties and whether De Ruyter had embarrassed his grasping shareholder than the substance of the corruption claims.

If so, there's little hope that this board will distinguish itself from its undistinguished predecessors.

The governing party's legion of incompetents were quick to attack De Ruyter too, with secretary-general Fikile Mbalula calling him “right-wing” and a “failure”. It is, at least, refreshing that Mbalula had the stomach to come right out and admit that he considers anyone raising questions about ANC graft to be “right-wing”. But then, given his dismal track record in overseeing Transnet and the Passenger Rail Agency of South Africa, how would he know what success looks like?

Still, Makwana's view that De Ruyter spent too much time “chasing renewables” is breathtakingly ignorant, considering not only the two €300m loans already advanced by Germany and France under an €8.5bn “just transition” agreement, but also the inconvenient fact that many of Eskom's coal plants simply have to be decommissioned due to old age. Renewable energy is, by any measure, the one energy source to be chasing.

Ultimately, however, it's the behaviour of the shareholder – the government – that sets the tone. The Institute of Directors South Africa is clear that many of the problems around public sector boards are due to over-reach by the government.

In a recent paper, it warned that boards of state-owned entities “can fall into the trap of showing undue deference to an assertive shareholder, and [fail] to exercise [their] duties and oversight independently”.

If only Makwana, Gordhan or Cyril Ramaphosa would take the time to read it. ✘