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► **To cite this version:**

Bruno Tinel. State Capture in South Africa: Class formation, Primitive Accumulation, and Nation-State. 2024. <halshs-05595588>

HAL Id: halshs-05595588

<https://shs.hal.science/halshs-05595588v1>

Preprint submitted on 17 Apr 2026

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State Capture in South Africa: Class formation, Primitive Accumulation, and Nation-State

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Earlier versions of this paper benefited from the reading and comments of Sam Ashman, Keith Breckenridge, Moira Campbell, Daniela Casale, Chris Desmond, Jonathan Klaaren, Sibulele Nkunzi, Njogu Morgan, Michael Sachs, and Mesrob Vartavarian. I would like to thank them warmly. Their comments greatly enriched this text. I remain solely responsible for any errors or shortcomings. The first two versions of this paper were written in July–August 2023 and March–April 2024, respectively, with the final version completed in August 2025. A slightly revised version of this text will be published in a forthcoming volume bringing together a collection of academic articles on state capture, edited by Jonathan Klaaren and Themba Maseko.

Abstract

This paper develops a theoretical analysis of State Capture in South Africa by interpreting it as a historically specific process of primitive accumulation mediated through the State. Section 2 establishes the conceptual framework by revisiting the dual nature of the modern State as simultaneously a Class-State and a Nation-State, emphasising the structural tensions inherent in capitalist societies. Section 3 applies this framework to the apartheid period, analysing the racially stratified class structure and showing how apartheid functioned as a regime of State-led primitive accumulation aimed at fostering an Afrikaner capitalist class. Section 4 examines the post-apartheid transition, highlighting the persistence of a disjunction between political power and economic power and the constraints imposed by the adoption of neoliberal macroeconomic policies. Section 5 focuses on the failed and uneven emergence of a broad-based black capitalist class after 1994, arguing that policies such as Black Economic Empowerment could not substitute for a coherent developmental strategy. Section 6 conceptualises State Capture as a mass process of primitive accumulation through the State, moving beyond individualised notions of corruption. Section 7 discusses the ambiguous macroeconomic effects of large-scale corruption and the difficulties of empirical assessment. Section 8 concludes by showing that State Capture undermines both national cohesion and the State's capacity to reproduce class relations, rendering the system structurally unstable.

Keywords: state capture; primitive accumulation; South Africa; political economy of the State; class formation

JEL Classification Codes: H11; P16, N37, P52

1. Introduction: State Capture yesterday and today

The early work on State Capture, initiated at the World Bank by Hellman et al. (2000), is truly remarkable; they attempt to distinguish and measure various forms of corruption and distortions through which State Capture unfolds. These tools are useful for observing the phenomenon, but they do not provide a way to interpret State Capture as a social process. They remain locked into an analysis in terms of large-scale corruption, this standard having both a legal and moral dimension.

What must be understood, within a specific historical trajectory, is the socio-economic configuration that gives rise to this phenomenon; otherwise, the explanation risks being reduced to a purely cultural or psychological one. This is precisely the merit of von Holdt's (2023) widely cited and acclaimed article, which had already attracted significant attention even before its publication. Its strength lies in extracting the analysis of the South African case from the framework of corruption and repositioning it within an approach grounded in the notion of primitive accumulation—an approach that is broader in scope and avoids moralistic considerations. Von Holdt redefines State Capture in South Africa as a process of primitive accumulation through the State, thereby enabling a deeper examination of the conditions underlying its emergence. Such an approach necessitates consideration of the national question in relation to class relations and the form (and nature) of the State.¹ Taking von Holdt's project as a starting point, the present contribution proposes to deepen both its prerequisites and implications. This constitutes, therefore, primarily a theoretical elaboration consisting of a synthesis and coherent integration of complementary bodies of knowledge that are customarily considered separately by political philosophy and social sciences.

Taking the national question seriously as an essential topic in understanding the dynamics of class relations in South Africa, O'Meara analyses the interwar period as deeply marked by a contradiction between the State and the class structure.² This disjunction between economic power and political power, inherent in the nature of class relations, corresponds quite well to the period that began in 1994, although the effects of this contradiction have been quite different in the recent period.

To summarize the situation between the two World Wars in South Africa, economic power is essentially in the hands of capital derived from British colonisation and based on mining exploitation. Racial segregation was already well advanced, with black populations, despite being used by the imperial power to overthrow the Boer republics, largely excluded from political participation at the time of independence. As a result, political power falls into the hands of Afrikaner coalitions. These coalitions then attempt, with mixed success, to use State resources to promote the emergence of Afrikaner capital. Without a genuine developmental and industrial strategy, and with the Keynesian revolution not yet having taken place, this State is not yet truly able to operate directly and create new companies from scratch in new areas. It must instead settle for redistributing the surplus extracted from the mining sector,

¹ The remarkable work of Toner and Rafferty (2024) on State Capture in Australia deserves particular mention here. Their approach likewise considers class relations, albeit with a different definition from that adopted in this paper. Space constraints prevent us from examining the convergences between their approach and ours, which we shall address in a future publication.

² I cannot thank Michael Sachs enough for encouraging me to read *Volkskapitalisme*.

which limits its action and subjects it to raw materials cycles. The relationship between political power and economic power was marked by forced and conflictual cooperation. This began to change during the 1940s (Freund, 2019). The merger between imperial capital and Afrikaner capital ultimately occurred under Apartheid, which can be termed, let's dare to say, a meticulously prepared super State Capture by Afrikaner nationalist groups (O'Meara, 1983). However, this could only happen because the Apartheid regime had a free hand in its economic policy. Apartheid thus emerges as a regime of State Capture, aiming at the primitive accumulation of a new capitalist class (Afrikaner), having succeeded in its industrial and financial transformation by creating a secondary industry through its merger with the former imperial economic elite, yet failing to decisively diversify its industry.

This paper argues that the post-Apartheid period is marked by a similar disjunction between economic power and political power, and by the same desire to bring forth, alongside the existing capitalist class, a new capitalist class through State power. However, the process does not unfold as "smoothly" as under Afrikaner political domination because the ANC-led government initially agreed to steer its economic policy towards a GEAR-like trajectory (the South African version of neoliberalism), as a compromise with the existing capitalist class. This does not allow the new political elite to have all the necessary State tools and economic policy instruments to effectively undergo a structural transformation of its economy and hence its class structure. Within this framework, *ad hoc* measures such as Black Economic Empowerment (BEE) and Broad-Based Black Economic Empowerment (B-BBEE), aimed at promoting a new black economic elite, unsurprisingly prove insufficient. These tools only allow for the emergence of a very narrow new black oligarchy centred around the ANC elite, leading to immense frustration within the black bourgeoisie formed around the State apparatus, ultimately resulting in a pillaging of public assets.

Such a process of primitive accumulation will only end when a new black capitalist class can reach viable compromises with the existing economic power, resulting in a relative merger of the newly formed "black" capital with the existing "white" capital. The process of primitive accumulation through the state will either continue chaotically as it currently does, if the same economic policy is favoured, risking deep destabilisation of both the South African economy and society, or smoothly if a new coalition can implement an endogenous development policy and structural change capable of accelerating the formation of a new capitalist class.

Here is how the rest of this paper is organised: Section 2 revisits the dual nature of the modern State as both a Class-State and a Nation-State. Section 3 attempts to characterise the class structure under apartheid and clarify its implications from the perspective of the dual nature of the State. Section 4 does the same for the post-apartheid period. Section 5 focuses on the challenging emergence of a black capitalist class after 1994. Section 6 develops the thesis of State Capture as a process of primitive accumulation. Section 7 serves as a parenthesis and reflects on the macroeconomic effects of State Capture. Section 8 concludes with a general discussion emphasising the instability of the social configuration in a State Capture situation.

2. The Dual Nature of the State

In an economy dominated by capitalist relations, the State has, for nearly a century, provided the material means to pursue an economic policy that somehow rises “above” class relations (Maucourant & Tinel, 2020). The New Deal in the United States and the post-war social democratic policies implemented in Europe are striking examples of this phenomenon. In both cases, without challenging the social hierarchy, the State’s actions went further than ever before in improving the material conditions of the dominated (or subordinated) classes. This was achieved through a set of complementary mechanisms, the main ones of which are listed below (this brief inventory does not claim to be exhaustive).

Highly regulated national healthcare systems, providing nearly free access to healthcare for the entire population, were established either through a centralised State organisation, as in the United Kingdom, or through a non-State mandatory social insurance system administered by employers and employees, as in Germany³, or hybrid systems as in France. Unemployment compensation, retirement pensions, family allowances, and housing assistance were also implemented in all advanced capitalist countries through institutional arrangements whose diversity is linked to national trajectories. Mass education at the primary, secondary, and higher levels also became widespread, with variations from one country to another, with some countries maintaining a lower level of socialisation for higher education.⁴ These mechanisms significantly contributed to increasing the level of income redistribution, i.e., secondary redistribution. They were accompanied by more progressive and redistributive tax structures, stronger labour rights for employees, and a macroeconomic policy aimed at ensuring a higher and less fluctuating level of employment than before. All of this led to a reduction in inequalities by improving the material conditions of the less fortunate (Esping-Andersen, 1990, Kuhnle & Sander, 2021, Nullmeier & Kaufmann, 2021).

The 20th century witnessed the emergence of a State and an economic policy that no longer simply promoted the interests of the dominant classes. As the young Marx had already identified in 1843 when analysing the bourgeois State, caught between “true” democracy and the “medieval State,” the State can be thought of as a contradictory entity or a tension between two imperatives or poles (Desbrousse, 2007). Within the spatial limits of its territory, this entity is, on the one hand, conservative in terms of class structure and, on the other hand, the guardian of the national interest, which is identified as “beyond class relations.” Thus, the State is both a Class-State and a Nation-State. The two following sections summarize elements presented by Maucourant and Tinel (2020).

³ This system, known as the “Bismarckian” system, is the oldest and emerged as early as the 1880s. All countries have drawn inspiration from it, either by copying it directly or by attempting to develop something else based on its principles. The United Kingdom, being the first capitalist country to embrace such a high level of State centralization in its social protection system in 1945 under the influence of Beveridge, initially experimented with an organisation inspired by the German model.

⁴ Until today, the so-called continental countries have upheld a higher level of socialization in the funding of higher education.

2.1. *The Class-State*

Not all societies have necessarily experienced the social and organisational form we now call the “State.” On one hand, classless societies seem to be distinguished by their refusal to see the formation of a State (Clastres, 1974). On the other hand, in societies where classes have emerged, there isn’t always a distinct State separate from the dominant social group; Finley (1977) provides a remarkable example through the case of ancient Greece in its archaic period. This situation reoccurs in medieval Europe after the collapse of the Roman Empire (Duby, 1974). However, when the existence of the State is established, it is by definition a Class-State: the entity that allows for the rationalised reproduction of the class structure, i.e., the social order, through administration. In doing so, the State also objectifies and thus reproduces a certain collective consciousness of the perpetuation of a social being. In this sense, it contributes to the overall reproduction of society in its material, intellectual, and cultural aspects. The State ultimately transmits the mechanisms that constrain all those who are not part of the ruling elite or dominant classes to remain in a subordinate class relationship (which does not prevent *individuals* from transitioning from one class to another).⁵

With the rise and rationalisation of the State through law, a permanent army, a police force, a fiscal administration, etc., the dominant classes themselves come to be subordinated to the State and its objectified procedures. These mechanisms are of a legal, police, and economic nature⁶: legal coercion is supported by economic and physical coercion, which Weber (1918) refers to as the monopoly of legitimate violence (sanctioned by law). By nature, the State is on the side of the dominant classes because, without it, they would be overwhelmed and destroyed by sheer numbers. However, well before the English and French revolutions, the State tended to incorporate the dominant classes into its logic. This idea is reiterated and deepened by Elias (1939), who emphasises that the dominant classes shift from fighting *for* dual military and fiscal monopolies to fighting *within* this monopoly once territorial unification under a single authority is achieved (Tinel, 2015).⁷

The notion that the State is indispensable to the dominant classes for reproducing their class position was not discovered by Marx, who merely pinpointed the class preconceptions expressed bluntly by the Prussian aristocracy that dominated Germany in his time. Similarly, in Ancien Régime France, the nobility saw itself as an integral part of the monarchical State. The State was openly the possession of the ruling class, which was exempt from paying taxes. With the appearance of an administrative form in the late Middle Ages to exercise royal functions on behalf of the King, the aristocracy eventually no longer directly wielded sovereign powers, delegating them to specialists, some of whom came from other classes

⁵ In a technologically and socially advanced world where class relations would have been abolished, Marx and Engels envision that only a technical and administrative State would remain, responsible for coordinating and managing public goods in a complex society. In such a world, there would exist, for the first time, a State that would no longer be a Class-State. The withering away of the State signifies the end of the State in its coercive dimension.

⁶ The forms of these mechanisms evolve over time, and it is not possible to discuss these aspects here.

⁷ One type of State is inherently linked to a specific class structure, and both elements coevolve through social struggles and crises. This thesis expresses a widely shared position within Marxism, which was somewhat codified by Lenin in *The State and Revolution* and later revisited and refined by Poulantzas. This author views the State as the arbiter of contradictions between fractions of the ruling classes, which grants it relative autonomy from them.

(Descimon, Guery, Le Goff, 2000, Genet, 2003). This has led to the emergence of new ('middle') classes specifically linked to the material and organisational development of the State. Still, until the end of the Ancien Régime, the nobility explicitly considered the State as its exclusive thing.

Parliamentarism in England and the revolutionary process in France explicitly imposed the idea that the State should no longer be exclusively the representative of the aristocracy *in law*, confirming that it was already *in fact* an autonomous entity separate from the ruling class. It is now the Nation's task to appropriate political power, meaning to control the State as an organisation and institution with multifaceted powers (legal, military, fiscal, budgetary). This historical formation of the nation on a political basis is inherently inclusive and stands in opposition to an ethno-national (or racial) basis, which is inherently exclusive. Thus, the sovereign is no longer "above" (the divine-right Queen/King) but "below," and the source of power is the people (or the Nation, it is all the same), moving from verticality to horizontality (Chipkin, 2007, chap 2). The citizen becomes a co-sovereign. This is the foundation of political democracy, which was built in the United States after the Civil War in 1865, in the French Third Republic from 1871, and gradually emerged much earlier in England under a parliamentary monarchy. In Germany, this type of political democracy struggled to establish itself during the Deutsches Kaiserreich (1871-1918) but found its first existence with the Weimar Republic (1918-1933) before settling in the Federal Republic of Germany in 1945. In Spain, the two republics were short-lived, and it was only in 1975 that a stable democratic regime was established. In Italy, the democratic horizontality gradually took root with the peninsula's unification in 1861.

The State is no longer simply the agent of the ruling class but of the people as a whole, even though society remains structured in classes. This contradiction is irreducible in these societies: equality is instituted (gradually) in law (which involves everyone paying taxes), but of course, not in economic and social reality. This transformation involves breaking the organic, i.e., political and legal, link between the State and the Ancien Régime aristocracy. However, the sociological and functional link between the State and the dominant classes remains. To this day, the entire contradiction of the modern State lies here.

2.2. *The (class-)State and the nation*

The nation is a profoundly ambivalent construct. It may refer either to a closed and exclusive system of identity values—its normative vision—or to an inclusive reality that opens onto universal solidarity, which constitutes its positive dimension. The following pages adopt this latter, positive understanding of the nation. With the emergence of the nation, the ruling classes can no longer claim the State as exclusively "theirs" (Delannoi, 2018). Here, the term "nation" should not be understood as an ethnolinguistic identity that is more or less essentialized but rather as the people defining themselves as a political (collective) subject. This means that non-nobles, asserting their political capacity, intend to participate in the exercise of State power, which presupposes the existence of such an entity. The government then ceases to be the exclusive domain of the noble oligarchy. The eruption of the people as

actors on the political stage, and thus the emergence of the nation, inherently carries a form of democratisation, without prejudging the exact feature of the political regime.

Confronted with the reality of class relations, even within the State itself, the nation imposes a perpetual political tension because it encompasses the whole society; it transcends class divisions. This contradiction of the State caught between the nation and the class structure is not exclusive to advanced capitalist countries; it is also found in distinct forms in their former colonies (Idrissa, 2020). As a classless ideal, the nation constitutes a shared fiction within common representations and collective concrete experiences, foremost among them being equality before the law. It becomes a reality and produces tangible effects. Like any human creation, it has an immaterial dimension, but this shared representation has very real effects and is embodied in institutions that belong to our materiality (Artous, 2000).

The nation holds emancipatory and democratic potential; it is an instituting collective imagination for the dominated classes, who dream of a world without classes, a world of equals. However, the dominant classes are still supposed to be a part of the nation, despite their preference for cosmopolitanism.⁸ Now, the challenge for the dominant classes is to maintain their class position, which is objectively opposed to the nation, while not positioning themselves *against* it but rather *with* it in the order of discourse and representations (at the risk of triggering a revolution). They claim to be in favour of democracy while constantly invoking various external constraints to limit the scale and scope of democracy.⁹

The modern ideal of the nation is profoundly egalitarian and democratic. As a founding promise of surpassing class relations, modern democracy is inherently oriented. It works not to exacerbate class relations but to mitigate their violence. This is where the logic of the welfare State comes into play; it encompasses institutions that allow for a (precarious) balance between these contradictory tensions: class society on one side and the rise of the people as a political subject on the other, which demands a national vision, i.e., a political power not based on class relations but on deliberation and the will of the majority.

To this day, nations organised politically as democracies have provided an institutional framework for solidarity and redistribution unparalleled in history. The other historical turning point is indeed the welfare State and its progressive taxation. Since its inception, the dominant classes have endured and resisted it; the revenge of the ruling classes against the welfare State is the very essence of neoliberalism. Despite different ideologies, Keynesianism

⁸ By definition, something cosmopolitan is what does not accept the boundaries of a single nation.

⁹ Even though it is not the focus of this paper, this reference to the nation allows characterizing nationalism in terms of class relations. Inherently chauvinistic, nationalism is an anti-cosmopolitanism based on a hierarchical view of nations (with one's own nation necessarily at the top). A nationalist perspective is rarely synonymous with emancipation and democracy; instead, it is often employed by the dominant classes to enlist the dominated classes in a conservative vision of class relations. Nationalism thus diminishes the earlier noted contradiction between the nation (as a classless ideal) and the class-based State, at the cost of destroying democracy (and, therefore, the modern nation) by naturalizing class relations as inherent to the imagined eternal nation. It can be argued that nationalist (chauvinistic) impulses are literal reactions (i.e., reactionary impulses) to the emergence of the emancipatory national ideal, of which 1789 serves as an archetype that inspired 1848. In both cases, reactionary forces, unable to restore the old order, will pit chauvinistic nation against democratic nation.

and social security or the welfare State represent the tangible form of the beginnings of a social republic¹⁰, progressing or receding depending on circumstances.

Through the welfare State implemented in the 20th century and policies of full employment, national solidarity has enabled the achievement of a level of material comfort for the entire population that was previously unimaginable. Never before in human experience had our species achieved such a high level of healthy longevity for such a large segment of society. Far from being confined to nationalism, chauvinism, or isolationism, the nation has demonstrated its capacity for social progress and emancipation beyond the village, the tribe or the ethnic group (Ducange, 2021). So far, no other entity has managed to do better, or even as well.

Having outlined the main elements of the conceptual framework, the analysis of the South African situation during (section 3) and after (section 4) Apartheid can now be addressed.

3. The South African Class Structure and the State under Apartheid

The first subsection introduces the main features of the class structure under Apartheid, and the second subsection tries to describe the uniqueness of the contradictions between Nation-State and Class-State under Apartheid. The section concludes with a brief discussion about a potential and limited comparison between 1789 and 1994.

3.1. The Class Structure under Apartheid

South Africa under Apartheid was marked by a dual society. On one side, a white minority enjoyed civil rights along with numerous privileges, while on the other side, a vast majority of the population was deprived of civil rights (South African citizenship was simply denied to them) and a whole set of rights considered fundamental in most other countries.¹¹ The uniqueness of this situation, compared to the double-sided State analytical framework described in section 2, lies in the absence of unity within the people. A constitutive principle of this racist regime was to prohibit populations of different skin colours from mixing. They were required to live separately. This regime took special care to classify and hierarchize populations to allocate them to separate spaces. The different “races” were not supposed to meet; they were not meant to form a society together; they were meant to constitute separate “nations.” The people were not only fragmented into sub-nations, but also racially hierarchized. A society that was indeed divided along social classes faced a series of fragmented and racially stratified nations (Capps, 2018). The very principle of Apartheid involves dividing and hierarchically redefining the nation: a “white” nation monopolises political and economic power, and artificially creates “black” nations confined to small homelands and specific urban areas, while exploiting these subordinate populations at will. The fundamental contradiction here is that, for the most part, the homelands will never

¹⁰ For an early reflection, from a revolutionary of 1848, on the link between democracy and social republic, read the extraordinary testimony of Gustave Lefrançais (2013).

¹¹ On the construction of the South African citizenship before Apartheid and from the point of view of people’s mobility, see Klaaren (2017).

become independent but will continue to be part of South African territory.¹² On the same land dominated by one sub-nation, there are several racially hierarchized and essentialized sub-nations, meaning they are defined from a perspective that seeks to naturalise socio-political differences (both within and between these nations).¹³

It is useful to briefly contrast the class structures within the privileged sub-nation and the segregated sub-nations. The latter are certainly not homogeneous, but they share limited access to property. The segregated sub-nations are confined to cramped and infertile spaces. They are predominantly composed of a working class – industrial, agricultural, and domestic labourers – a significant portion of which is forced to participate in the migrant labour system (Moyana, 1976, Stewart, 2016, Klaaren, 2017). Alongside this proletariat, there exists a small bourgeoisie composed of intellectual workers, small property owners, traders, manufacturers, officials in the “homelands,” and a so-called “traditional” elite (Legassick and Wolpe, 1976). Apart from a few rentier-type family fortunes, the segregated sub-nations are characterised by the absence of large-scale accumulation and thus a genuine capitalist class; they are unable to develop their industry, agrarian system, and financial system. The primary function of the homelands is to supply South Africa’s privileged population with abundant and cheap labour (reserve army of labour), thus dependent and easily exploitable in labour-intensive sectors (Wolpe, 1972).

In the “white”-controlled South Africa, there exists at the top an industrial, financial, and commercial capitalist class that is highly developed (O’Meara, 1983, Freund, 2019, Hart and Padayachee, 2013). It also includes a class of landowners, some of whom possess large agricultural estates operated not in a peasant but in a capitalist manner. Large-scale farms are based on land seizure, implied by confining “black” populations to Bantustans, and the exploitation of landless agricultural labour. The ruling classes under Apartheid also encompass high-ranking officials and politicians occupying the top positions within the State system, the military, and the government. The “white” middle class is more substantial and has better access to education than its “black” counterpart; it includes doctors, lawyers, experts in various fields, engineers, teachers, officials, small business owners, and white-collar workers. The class of “white” workers is employed in mining, manufacturing, services, and agriculture. While not enjoying the same advantages and privileges as the ruling classes, they still receive higher wages and better working conditions than “coloured” and “black” workers. This class of “white” workers played a crucial role in maintaining Apartheid, which provided them with racial privileges and protected them from competition with “black,” “Indian,” and “coloured” workers. Finally, below the working class, there exists a thinner but visible stratum of the “white” population living in poverty, in marginalised areas, and holding unskilled jobs.

¹² While taking advantage of their real dependence, the regime attempted to formally make Bantustans independent. However, this strategy failed due to resistance from both within and outside South-Africa.

¹³ Apartheid follows a decidedly undemocratic, chauvinistic, and reactionary approach to the nation. This is evident not only in the laws enforcing segregation but also in the Suppression of Communism Act (1950). The South African “white” nation does not aspire to a nation of equals; instead, everyone is expected to stay in their social rank and be content with it. O’Meara (1983) illustrates how Afrikaner nationalism transitioned from anti-capitalism during the 1930s, aiming to raise Afrikaner consciousness and mobilize people against imperial capital, to hyper-capitalism to create a new Afrikaner capitalist class.

The class structure under Apartheid is, therefore, deeply racially distorted: overdeveloped in terms of capitalist and middle-class elements within the “white” population and overdeveloped in terms of working-class elements within the “black,” “Indian,” and “coloured” populations.

3.2. Contradictions between Nation-State and Class-State under Apartheid

From the perspective of “coloured” and “blacks,” the contradiction between the Nation-State and the Class-State does not really exist at the level of the homelands, as the traditional elite benefits from the situation by administering these “autonomous” territories on behalf of the regime. These elites form the upper stratum of the segregated populations, but it is difficult to assert that an autonomous State has formed within these entities because the traditional elites act as local representatives of the racist and oppressive central State. For the segregated populations, the Nation-State is not embodied; there is only one State, the Apartheid State, which is simultaneously a Class-State and a racist State that oppresses them. This point is fundamental: for the marginalized and discriminated populations based on their skin colour, there is no prospect of a career within the State apparatus, no conceivable social promotion through the State, and no prospect of participating in government in any way or contributing to the government’s choice. The Apartheid State, as a complex organization providing public services and as a decision-making and governing body, is the State of the “whites” for the “whites.” It perpetuates a world where the ruling classes are entirely “white,” offering no prospects of emancipation. For the segregated populations, there is no national projection possible within this system, as the reproduction of class hierarchy under Apartheid inherently replicates a racial hierarchy.

However, it is quite different for the “whites.” For them, the fundamental contradiction (discussed in previous sections) between the Class-State and the Nation-State is probably present (despite the reactionary conception of the nation), as they belong to the (national) political community that can aspire to hold positions within the State apparatus and participate in choosing the government, even without necessarily belonging to the ruling class (provided the established order is respected, O’Meara, 1983, chap. 11). The State is sufficiently autonomous from the ruling class for this contradiction to exist (Fine and Rustomjee, 1996), and indeed, this State offered the dominated classes of the restricted and privileged national community a set of social, political, and economic advantages over the majority of the population.

The multiple advantages granted to “whites” under Apartheid, at the expense of the majority of the population, are functionally equivalent to the social State in Western Europe. These benefits counterbalance the reproduction of class structure within the privileged community; they represent a kind of “national solidarity” within the South African “white” population at the expense of the “black” and “coloured” population, which is itself excluded from the national community and confined to specific territories.

Materially, the Apartheid favoured workers of the privileged sub-nation by systematically offering them higher wages than “black” workers, thereby benefiting from a portion of the

surplus resulting from the exploitation of segregated workers who received much lower wages (O'Meara, 1983, Freund, 2019). The articulation between class and race (Hall, 1980) was structurally inscribed in the productive sphere: the capitalist division of labour reserved strategic and management positions for “whites” while “blacks” were relegated to execution jobs. The least qualified among the “whites”, compelled to occupy execution positions, nonetheless enjoyed better employment conditions than their “black” counterparts. Subjectively, this regime bestowed upon the dominated and exploited “white” classes a sense of superiority over the discriminated and overexploited “black” classes, as well as a sense of solidarity with the ruling “white” classes. Thus, Apartheid effectively divided the working class into two antagonistic parts, solidifying its privileged upper fraction with the ruling classes, and thereby reducing its ability to promote the proletariat’s interests. The racial division imposed by Apartheid on the working class structurally diminished working-class resistance, maximizing the efficiency of capitalist exploitation.¹⁴

3.3. A Limited Parallel between 1789 and 1994

With the end of Apartheid, South Africa transitioned from an exclusive racial nation, where rights were racially differentiated, to a political nation founded on equality before the law. The 1994 transition in South Africa constitutes a political revolution presenting some parallels with 1789 in France. Although this country maintained only tenuous ties with South Africa, such a parallel may help to explain the immense enthusiasm that the end of the Apartheid regime aroused in France. While the political changes occurred almost instantly, their economic and social effects would take decades to manifest.

In 1789, the aristocratic class was forced to relinquish the State and government to the entire nation, which emerged as the sovereign (Chipkin, 2007). Similarly, in 1994, South Africa experienced a process of expanding the political body from a privileged minority to the entire population, regardless of skin colour. The nation, now becoming the sovereign, was redefined by abandoning ethnic and racial criteria and aggregating all groups present in the territory. Consequently, in theory, the end of Apartheid marked the expansion of the contradiction between the Class-State and the Nation-State to the entire South African population, a contradiction that had previously only existed within the privileged population, as noted in the previous subsection. Drawing a similar parallel, Chipkin (2007) concludes the impossibility of a national community in post-1994 South Africa due to a set of exclusionary and repressive political practices and representations based on the pursuit of an ‘authentic national subject’. This pessimistic outcome could be overturned by a political event with both unifying and founding characteristics. However, this issue extends beyond the scope of the current paper. Going back to our main argument, the parallel with the old nation-States comes to an end

¹⁴ Clearly, the argument here is not techno-industrial in nature, but concerns the macroscopic social organisation conducive to exploitation and is opposed to the liberal argument that apartheid was ineffective because of a lack of free competition. Fine and Rustonjee (1996) examine and discuss these arguments about the effectiveness of apartheid in exploiting segregated populations. For these authors, Apartheid’s economic inefficiency lies in its congenital inability to diversify its industry due to the unshared domination of the economic and political interests of the mineral and energy complex.

because, in South Africa, the class structure remains deeply racially marked, giving rise to a new contradiction that we will attempt to characterise in the following section.

4. The Singularity of Post-Apartheid South Africa in the Articulation between State and Class Structure

The dominant classes post-1994 remain “white,” even as a “black” intellectual and political elite emerges by and for the Nation-State. On one hand, elections led the “black” majority to elect “black” representatives who took control of the government, although a minority “white” faction had aligned with the ANC. On the other hand, it is now possible for “coloured,” “Indian,” and “black” individuals to pursue careers within the State apparatus and reach the highest positions in the administrative hierarchy. Meritocracy is extended to the entire population, and various measures, more or less effective, called “structural transformation,” are taken to promote employment opportunities for “black” and “coloured” individuals in public services and State-owned enterprises.¹⁵

The situation in South Africa is unique because the Class-State, which is no longer a “white” State, finds itself having to continue reproducing class relations where the dominants, in their vast majority, remain “white” (Hart and Padayachee, 2013). After gaining control of the State apparatus and government, the new intellectual and political elite is thus forced to serve the class interests of the “white” economic elite, which had vigorously discriminated against them before 1994. This situation resulted from the compromise that led to the transition: while political changes based on equal rights were enacted, there was no accompanying economic change. Social democracy did not accompany political liberation, and the country now had to endure a South African version of neoliberalism.

The small elite within the ANC chose GEAR over MERG to drive its economic policy and preserve the class order (Ashman et al. 2011a, van Niekerk & Padayachee, 2021, Fine 2022).¹⁶ As a result, there was no reallocation of means of production or significant increase

¹⁵ These transformation measures, facilitating access to certain public resources for “coloured” and “black” individuals, create a breach in formal equality of rights. However, they are justified as corrective and transitional measures aimed at equalizing real access between populations of different colours. This creates new contradictions as real equality cannot be achieved in a class-based society. While skin colour was used to negatively discriminate and hierarchize populations under Apartheid, it is now employed to positively discriminate and attempt to de-hierarchize in post-Apartheid South Africa. Facing direct competition from emancipated “black,” “Indian,” and “coloured” populations, the “white” proletariat mechanically constitutes the stratum whose social position is most contested in post-Apartheid South Africa. However, these important questions are not at the core of the present paper.

¹⁶ The program of the Macro-Economic Research Group (MERG) stood in stark contrast to the Normative Economic Model (NEM) of the National Party, which advocated for a set of aggressive reforms based on supply-side economics. In contrast, MERG was grounded in a social-democratic vision of development focused on an initial Post-Keynesian phase of massive investment in public infrastructure and redistributive policies through significant improvements in housing, public education, and healthcare. These structural measures would have contributed to improving employment and partially reducing inequalities. The second phase aimed to leverage inclusive effects and complementarity with the private sector (‘crowding-in’) to enhance private investment and make growth sustainable in the longer term. Such a program would have had long-term effects on both demand and supply because it relied on a systemic vision of various measures and tools that would have created significant synergy effects at both macro and micro levels, thereby increasing both realised and potential growth. The Growth, Employment, and Redistribution (GEAR) program corresponds to the policy that was eventually implemented from 1994 onwards, a neoliberal structural adjustment policy supplemented with a watered-down

in employment, and inequalities were not substantially reduced through fiscal redistribution and public services, elements that could have subverted the class order (Maucourant & Tinel, 2020).

In this context, the small number of individuals who govern the ANC State use their political position to accumulate wealth by selling favours to the capitalist sector, which Ang (2024) calls “access money”. This is the first phase of State Capture: high-level corruption concentrated at the top of State power. Thus, a new oligarchy is formed alongside the old “white” oligarchy (Vartarian, 2024). However, this oligarchic element alone is insufficient to characterise State Capture in South Africa as a widespread social phenomenon, which would entail a process of primitive accumulation as stated by von Holdt (2023).

Indeed, such a situation is inherently unstable. After the initial enthusiasm, it is difficult to imagine that the new intellectual and political elite, as a whole, controlling the State, would simply serve their former oppressors without any change in access to economic resources. Moreover, considering that an entire faction of the new petite bourgeoisie within the State had witnessed the corrupt behaviour of their leaders, would they oppose it or emulate it? This shift is described by von Holdt (2023) as the transition from the Mbeki regime to the Zuma regime. The new political elite also has no interest in directly opposing the old economic elite to force them to relinquish their monopoly on the means of production, as doing so could lead to high-intensity conflict. Precisely, the transition initiated in 1990, and sealed in the framework of the economic policies pursued by the GEAR from 1994 onwards, consisted of not touching the dominant economic interests but rather consolidating their positions by reintegrating them into the global capital following the Washington consensus as the dream of the elite leading the ANC was not to destroy the old elite but to become part of it.

Everything revolves around this crucial choice. A self-centred development policy aimed at achieving structural economic and social change, as envisaged by the MERG, requires adopting an accumulation strategy focused on the needs of the nation, meaning interests broader than merely those of the dominant classes. To achieve this, the government may need to control currency exchange and imports, redirect monetary policy, nationalise certain companies, and promote investments and projects that will bring forth a new economic elite with interests diverging from those of the old elite based on mining, energy and international finance. Such a process could have destabilised and perhaps even dethroned the existing oligarchy.

In summary, the MERG would have led to transferring control of accumulation, at least temporarily, from the hands of the old elite to the State and government. Such a policy would certainly not have abolished capitalist class relations, nor would it have deprived or expropriated the old economic elite without compensation. However, it would have significantly expanded the middle class while increasing employment levels, thereby reducing poverty. Furthermore, it would have brought forth at the top of the social pyramid a new,

version of the Reconstruction and Development Programme (RDP), which did not rely on a systemic and modelled vision of economic policy. The impact of such a policy on inequalities, growth, and employment could only be very limited because it did not foster genuine economic and social development; the measures enabling structural change were either absent or far too timid.

modern economic elite focused on control, management, and ownership of new means of production, on an expanded basis. In other words, the old oligarchy would not have emerged impoverished but politically and socially marginalised within an enlarged elite that would have been much more deeply rooted in South African society and aligned with its needs.

In this regard, the MERG would have stripped the old elite of its monopoly, and that is precisely what it was not willing to concede during the negotiations for the transition to the new post-1994 South Africa. The GEAR implemented by the ANC thus served to structurally maintain the status quo, supplementing it with various measures that only allowed for marginal improvements. Within this framework, the new political elite agreed not to have the necessary means to quickly bring about a different social structure, equipped with a renewed capitalist class more in tune with the South African nation, in exchange for a high-level economic promotion for its most important cadres only.

It became necessary to rely on the long-term and the randomness of individual trajectories. Any type of affirmative action policy, like Black Economic Empowerment (BEE), was then destined to only secure token positions within the old economic elite for a few fortunate individuals (Ponte et al., 2007, Vilakazi and Bosiu, 2021). The main issue with this type of affirmative action programme is that it addresses these questions through the lens of discrimination and barriers to competition, focusing on processes, and therefore fails to directly confront the issue of class formation, particularly capitalist classes, through the inevitable and unsavoury (even repugnant) phase of primitive accumulation (cf. the next two sections of this paper). For the vast majority of the population, material prospects could not change decisively.

The insufficiently diversified economy remained subject to external constraint: the extractivist model conducive to capital flights (Ashman *et al*, 2011b, Ashman and Fine, 2013) continually eroding the external value of the Rand forces until today the South African Reserve Bank (SARB) to maintain exchange rates through high-interest rates, to limit the rise in import prices, thus structurally constraining fiscal policy, especially when export prices are declining, reducing the dynamism of tax revenues. The South African economy remained at the mercy of the commodity price cycle (determined globally), allowing the government to more easily assist the most vulnerable during boom phases, as was the case in the late 1990s and early 2000s, and having to tighten up fiscal policy during periods of falling prices, lest public debt increase rapidly as it has over the past fifteen years.

The nature and qualities of political and administrative institutions undoubtedly play a role in the emergence of State Capture (Brunette, 2023); however, the specificity of the contradictions between the State and class relations in South Africa is likely more decisive. While Buthelezi and Vale (2023) argue that State Capture in South Africa makes it lose its exceptionalism compared to Nigeria, Kenya, Congo, Mozambique, and Zimbabwe, which experienced a similar process after their independence, the singularity of the South African case persists as it stems from a “black” State confronting a “white” capitalist class. Neither entity can rid itself of the other, as the modern State is founded on class reproduction. The State cannot betray the dominant (capitalist) classes without risking a social revolution that would inevitably alter the political elites holding power—especially since the “black” political

elite that came to power in 1994 is not anti-capitalist. Conversely, the capitalist class cannot oppose the State it had once created and continues to need to maintain civil peace, protect private property, and uphold all the legal rules that ensure the reproduction of its dominant class position. In the short term, these functionally complementary entities cannot separate or produce their functional counterpart with a snap of the fingers. However, considering a longer time horizon, the strategic interaction between these coevolving social entities, the classes and the State, may lead to transformations, and even mutations. Within a GEAR-type institutional framework, it is doubtful that these slow transformations and hybridisations within the elites are capable of subverting a social order established at the beginning of the 20th century. Only a proactive policy akin to MERG could lead to rapid economic and social change.

5. The difficult emergence of a “black” capitalist class

The new political elites (who are “black” and, in practice, part of the middle class, even if it has become “upper”) are thus forced to cooperate, probably at a low-intensity level, with the old economic elites (the “white” dominant classes). At the individual level, this cooperation takes on an oligarchic form. At the same time, the new political elites aim to promote the emergence at the macro level of a new economic elite within the “coloured” and “black” population capable of contributing to the “economic transformation” of the country. However, such a transformation cannot be accomplished overnight. This is all the more true given that the existing elites are unwilling to relinquish their dominant position without resistance.

How can the ownership of large capital pass into the hands of a different colour? It would require large companies and major financial groups to systematically promote executives from the discriminated population, and therefore also from a different social class. Such a process of hybridisation undoubtedly takes a long time to establish and produce visible effects. If the process is too slow, impatience and resentment will drive those lacking the moral qualities of someone like Themba Maseko to seek more effective but less lawful expedients; moral integrity tends to wane in the face of the cynicism of narrow interests. How can a new capital, under the control of a population politically and socially connected with the “black” elite controlling the State apparatus and the government, be created from scratch?

The government, following the example of Mbeki’s attempt (von Holdt, 2023, Ponte *et al.*, 2007), can try to encourage entrepreneurship among sections of the population that have been less involved in the business world until now. However, this takes a lot of time as it requires educating the new generations, time for projects to emerge, and networks to form and grow. Above all, it requires access to capital, either through direct support from the capitalist class (venture capital) or through bank credit. Herein lies the problem of access to capital, which is largely controlled by the “white” capitalists. We cannot exclude the possibility of difficult access to financing for entrepreneurship emerging from the “black,” “Indian,” and “coloured” populations. Not only may there be behaviours that consciously or unconsciously discriminate against newcomers due to their skin colour, lack of experience, lack of project credibility, etc., but moreover and especially, as the saying goes, “money goes to money.” One must already be part of the capitalist circles to obtain support from capitalists. However, by definition, the “black” and “coloured” populations have been excluded from these circles for decades, and

the political change of 1994 seems to have only marginally altered this situation (Vilakazi and Bosiu, 2021). For these populations, regardless of the investment project, it must be admitted that access to capital is very likely to be extremely difficult. Indeed, this issue cannot be reduced to a mere regulatory question of entry barriers in the face of a monopolistic market. The problem is much more fundamental to analyse and difficult to control because it pertains to the class structure of society and the issue of inequality in access to wealth and power in a society already structured into classes. Many social taboos are behind this, which cannot be addressed in this text. Nonetheless, it is essential to take seriously the mockery Marx directed at classical economists who believed they could locate in savings and frugality the sole origin of the formation of the capitalist class.

This discussion now leads to the conditions for the emergence of a capitalist class, a process that Marx calls “primitive accumulation.” In the case at hand, it is a process of primitive accumulation alongside, and in competition with, an already established capital.

6. State Capture as a process of primitive accumulation

As already noted, the question of the origin of property is one of the greatest taboos in our modern societies. At the beginning of Chapter 26 of Volume I of *Capital*, entitled “The Secret of Primitive Accumulation,” Marx mocks bourgeois intellectuals invoking thrift and parsimony in these terms: “as soon as the question of property crops up, it becomes a sacred duty to proclaim the intellectual food of the infant as the one thing fit for all ages and for all stages of development. In actual history it is notorious that conquest, enslavement, robbery, murder, briefly force, play the great part. In the tender annals of Political Economy, the idyllic reigns from time immemorial. Right and “labour” were from all time the sole means of enrichment, the present year of course always excepted. As a matter of fact, the methods of primitive accumulation are anything but idyllic.” The French edition, which Marx himself fully revised, is accompanied here by a footnote that I translate from French: “Goethe, annoyed by such nonsense, mocks them in the following dialogue: Schoolmaster: Tell me then, where did your father’s fortune come from? Child: From my grandfather. Schoolmaster: And from him? Child: From my great-grandfather. Schoolmaster: And from him? Child: He took it.”

In the next paragraph, Marx clearly outlines the problem that confronted the emerging “black” elite (political and petite bourgeoisie) from 1994 onwards: “the accumulation of capital presupposes surplus-value; surplus-value presupposes capitalistic production; capitalistic production presupposes the pre-existence of considerable masses of capital and of labour power in the hands of producers of commodities. The whole movement, therefore, seems to turn in a vicious circle, out of which we can only get by supposing a *primitive accumulation* (*previous accumulation* of Adam Smith) preceding capitalistic accumulation; an accumulation not the result of the capitalistic mode of production, but its starting point.”

Translating this to the South African case: “black” capitalist accumulation cannot explain and/or enable the emergence of a “black” capitalist class since it is the pre-existence of such a class that makes “black” capitalist accumulation possible. This is particularly likely to be the

case as the “white” capitalist class historically formed itself by rejecting mixing with “black” populations. In short, it is easy to imagine that the doors of venture capital and bank credit are not wide open to investment projects of small capital and “black” entrepreneurship that emerged from 1994. Therefore, just as the emergence of the capitalist class through the expropriation of the rural population in England from the 16th century “is written in the annals of mankind in letters of blood and fire” (*id.*), one can imagine that the current emergence of a new “black” capitalist class in South Africa is not happening as idyllically and industriously as official accounts of contemporary billionaire entrepreneurs might suggest. Having good ideas and a sound business plan would not be sufficient to access substantial financial resources.

What South Africa is experiencing today echoes ancient debates about the emergence of capitalist ownership: it does not result from a slow and patient process of savings based on abstinence but on plunder and violent appropriation. At least, it is important to note, even if it does not please everyone, that this process is much less deadly in contemporary South Africa than it was in post-feudal England. In England, the process consisted of dispossessing the peasantry for the benefit of the great landowners, while simultaneously producing a free working class deprived of access to the land and a capitalist class in control of the means of production. By contrast, the ongoing process of primitive accumulation in South Africa arguably does not need to generate a proletarian working class, since one is already in existence. It consists “only” of the emergence of a new “black” fraction within the capitalist class.

With access to all levers of the State apparatus and public enterprises, it is only natural that the new “black” ruling class eventually draws the necessary resources for the formation of a “black” capitalist class. This certainly did not happen overnight, nor probably in a coordinated manner – necessity becomes law. Von Holdt (2023) rightly points out in this regard that it would be wrong to focus solely on the Zuma-Gupta couple (Maseko, 2021, Haffajee, 2022); it is a process of greater magnitude with multiple focal points.

The new South African State, in “need” of a new capitalist class, combined with a tremendous desire to accumulate wealth and compete with the old ruling class. In short, with numerous opportunities and no shortage of candidates eager for rapid and spectacular enrichment, it is not surprising that what was previously considered legal and institutional red lines were systematically and extensively crossed from the bottom to the top of the State edifice (Buthelezi and Vale, 2023).

Zuma should be seen as both a facilitator and a revealer. Facilitator: in the sense that he paved the way early on and at the highest level for these extensive corrupt practices. He not only set a (bad) example but also established networks and mechanisms for looting, using his historical legitimacy from the anti-Apartheid struggle and employing rhetoric of “radical economic transformation” that both absolved the perpetrators of wrongdoing and created the illusion for the marginalized that this was in their interest. He openly undermined the moral restraints that typically prevent such practices. It must be acknowledged that a significant portion of the South African population followed him. His speeches and actions garnered genuine support. It would be incorrect to claim that he deceived his electorate, as he did not

attempt to conceal his actions; rather, he sought to justify them and present them as legitimate. Revealer: through his arrogance and lack of common decency, as well as his position at the pinnacle of the State, he did not conceal his actions much. His behaviour and caricatural alliance with the Guptas, who are not South African citizens, made it very apparent that these embezzlements and fake news were contrary to the South African public interest.

The recognition that corruption contravenes the public interest also arises in cases involving only nationals. Nevertheless, it must be acknowledged that the Guptas' foreign nationality likely contributed to the collective awareness that corruption constitutes a form of pillaging contrary to national interests, as in this instance it entailed a transfer of funds out of South Africa or directly benefited foreign individuals, as exemplified by the wedding at Sun City.

It is not the intention here to deny that each of these illicit acts, taken individually, can be described as corruption, theft, or misappropriation of public property (Klaaren, 2023). There is no doubt that such legal qualifications are valid in defining the transgressions. What needs to be emphasised, as suggested by the readings of whistleblowers (Maseko, 2021) and the press on State Capture, is the extent of the phenomenon. When transgressive acts become systematic, they cease to be individual transgressions and instead become a new kind of social norm, albeit an illegal one. The mass occurrence of such misappropriations, if proven true, calls for a reflection on State Capture beyond the terms of corruption (and oligarchy), as corruption, by definition, is supposed to be an individual and transgressive act. Even if a significant or even majority portion of State and public enterprise officials remain honest, when corruption reaches a massive scale in absolute terms, the identification of the act as corrupt and the enforcement of sanctions tend to diminish, unless extremely vigorous measures are implemented to curb the phenomenon. Consequently, the act tends to establish itself as a new norm. In other words, when transgressive acts tend to become widespread, they lose their transgressive nature, and this counter-norm propagated by an active minority competes with the old norm still practised by the passive majority, as identified by von Holdt (2023).

The phenomenon, no longer seen as a transgression but as a social fact, even if in the minority, raises questions about its effects on the rest of society and the economy.

7. The macro-economic effects of massive corruption: an empirical question

It would be erroneous and moralistic to assume that the effects of corruption are necessarily fully negative for economic activity (Ang, 2024). There is no doubt that negative effects exist, especially in terms of uncertainty and general loss of trust. However, if the phenomenon is of significant magnitude, it must be viewed as a redistribution of income and wealth within the national community, and its economic effects can be contradictory. Thus, it is essential to identify and measure these effects to conclude the overall impact. For instance, if the redistributed funds increase the disposable income of a segment of the population with a high propensity to consume, this could contribute to supporting aggregate demand in a context where wages remain modest and credit access is limited to a small wealthy minority. In this

case, the process of mass corruption-driven redistribution might contribute to enlarging the lower middle class connected to the State apparatus.

Another example is if the fortunes amassed at the top through State Capture contribute to the emergence of dynamic capitalist entrepreneurship among the “black,” “coloured,” and “Indian” population. In such a scenario, one could expect a revival in productive investment, at least in certain sectors, which would have a positive effect on economic activity, employment, and subsequently, on public finances. Conversely, it cannot be ruled out that the new elite emerging in this way, not being well-versed in the business world, may adopt a rent-seeking and rentier behaviour. In this case, the accumulation resulting from mass corruption could fuel conspicuous consumption (intensive in imported luxury goods) and investments in investment funds, and possibly long-term capital outflows.

Determining whether the overall effect is negative or positive for the economy cannot be achieved through theoretical reasoning alone. To answer this question, it is necessary to combine conceptual work identifying key effects and variables with empirical research to estimate these different contradictory elements. However, the task is daunting because this massive corruption is now integrated into the South African financialised accumulation system (Ashman, 2019), making it difficult to develop a counterfactual scenario to assess the deviation in trajectory from a hypothetical situation without State Capture.

However, overall, it is important to highlight that the loss of trust in the State, combined with its diminished capacity to fulfil its missions of public interest, which are essential for the ordinary functioning of production and transactions, increases uncertainty and volatility. Combined with an incoherent fiscal policy (Sachs *et al.*, 2023), this leads to a proliferation of wait-and-see behaviours that hinder the growth of private investment, especially when the State itself fails to perform its role effectively. Overall, State Capture reduces the economic attractiveness of South Africa. This leads to massive outflows of capital from long-term investments: the owning classes seek better returns and stability for their assets abroad, which in turn reduces the external value of the national currency, fuels inflation, and amplifies the loss of attractiveness. The South African Reserve Bank, having adopted an inflation-targeting policy, is forced to maintain exorbitantly high rates, yet struggles to mitigate the structural devaluation of the Rand. As a result, long-term interest rates are unprecedented compared to advanced economies. The oversized and extractive banking and financial system inefficiently caters to the financing needs of actors due to high borrowing costs. These factors further reinforce the atmosphere of caution and the lack of attractiveness of the national territory. Beyond the question of the empirical assessment of the economic effects of State Capture, which can have positive effects for certain groups and in certain regions, one should still expect the perpetuation of a set of mechanisms that promote stagnation at the macroeconomic level.

8. The instability of State Capture

As a conclusion to this contribution, it is essential to characterise the contradiction that arises from State Capture and understand how it renders the system unstable. State Capture as

primitive accumulation through the State (i.e., the massification of practices related to corruption and embezzlement aimed at diverting and plundering public assets for personal enrichment and/or redistribution to a sub-group) presents itself as a private appropriation of public goods on a massive scale and a diversion of resources provided by the public force in favour of particular interests, to the detriment of the public and national interest (Foley, 2023). This results in a disruption of the ordinary functioning of State institutions. It can lead to jeopardising its primary capacity to reproduce the social order of class. In such a case, dominant capitalist classes are compelled to recreate these conditions themselves by privately producing certain public or semi-public goods essential for extracting surplus-value and maintaining the class order (protecting persons and property belonging to the capitalist classes and their allies). Klaaren (2023) notes that capitalist interests constitute one of the social forces acting legally against these massive malpractices.

With State Capture, we witness an erosion of the double fiscal and military monopoly coined by Elias: the State faces competition on both fronts. On the security side, as highlighted by von Holdt (2023) through his concept of the “patronage-violence complex” and by Foley (2023) with the terms “racket and predatory power”, State Capture is characterised by increased use of violence and intimidation. Indeed, the illicit and unpunished accumulation of wealth resulting from State Capture necessitates and fosters the emergence of private militias whose primary function is to safeguard this emerging capital. As long as this new capital is not somehow integrated into the capitalist class, its armed forces may favour the expansion of illicit activities and/or extortion.

Many authors emphasise that State Capture doesn't solely involve actors from the public sector but necessitates connections with the private sector and even with certain international capitalist groups of various origins. However, this doesn't alter the fact that at the domestic level, the emerging capital through State Capture doesn't directly merge with the capitalist class, as it forms in opposition to it. In response, capitalists are compelled to (re)form their private militias. Moreover, the loss of capacity affecting the police and judicial system, within the context of the general decay of public affairs under State Capture and the rise of social misery, leads to a high level of crime in all its forms. Concretely, impunity reduces the individual cost of the most serious crimes, increasing their occurrence and social costs. In response, the middle classes attempt, to the extent of their means, to arm themselves to ensure their security by socialising these costs on a limited neighbourhood scale. The working-class majority, lacking sufficient resources to do the same, suffers a very high level of violence against their property and persons, which adds to the violence of class and racial relations. In the face of the State's declining capacity to exercise its monopoly on legitimate violence, private violence thrives, and semi-private violence is socialised within different sub-groups (capitalists, middle classes, new capital) due to the fragmentation of public affairs.

Regarding fiscal monopoly, the general decay is accompanied by a deterioration in the State's ability to levy taxes, particularly through redistributive taxation. Furthermore, if the merger between the “old” capital and the emerging capital generated by State Capture proceeds too slowly, there is a significant risk that this private accumulation—founded on the plundering of the State—will give rise to a mafia-like organization: a parallel entity that imposes its own laws, extracts levies without reciprocation, and exercises physical coercion over segments of

the population in specific geographic areas and economic sectors. Foley (2023) argues that this stage has already been reached. He believes that the “grand corruption” characterising State Capture involves a shadow State that presupposes practices of widespread racketeering. Such an organisation thrives on illicit activities and systematically extorts in the spaces left vacant by ordinary State activities.

The above analysis emphasises that State Capture, i.e. primitive accumulation through the State, is not merely reducible to the material appropriation of public goods. It must include all the deviant or biased behaviours that make the phenomenon possible. The use of a position within the State apparatus (i.e., the civil service) to actively or passively enable State Capture entirely belongs to the phenomenon in question. This can involve favouritism in awarding public contracts or complacency in billing. Still, it can also involve biased public decisions (embezzlement, extortion, influence peddling), including in choices of economic policy, to favour certain private interests at the expense of the public interest.

It is not an exaggeration to say that such decisions, especially if they occur massively and systematically, undermine the national interest, especially since they occur in favour of a sub-group or a set of constituted sub-groups. In this perspective, Foley (2023) emphasises that State Capture is not simply confined to mafia-like processes of rent extraction, but is more fundamentally a widespread diversion from its objectives and mandates; he refers to it as a “repurposed” State. Biased decisions and various forms of corruption, even if facilitated by mere complacency, are certainly not specific to South African State Capture (especially as they are not easy to identify), but they are inherent to it.

State capture contradicts both the Class-State and the Nation-State. By diminishing the State’s ability to effectively ensure class reproduction, established capitalist classes are forced to mobilise to reproduce certain aspects of the Class-State that they need the most and that are partially lacking. These additional costs that capital must reintegrate for its reproduction reduce its profitability and push it to seek opportunities in other territories. This, in turn, fosters open contestation against the State and the social elite controlling the government. On the other hand, the Nation-State is also weakened by State Capture as its very existence represents a negation of public affairs and a spoliation of the nation; this is the essence of the title of Themba Maseko’s book. The result is an objective (social and spatial) and subjective (ideological) fragmentation that harms civil peace. The lack of capacity to create a new South African identity in the post-Apartheid era (Chipkin, 2007), and thus to redefine the nation on an inclusive basis that breaks with old hierarchies, was highlighted very early on, in 1998, by Freund and Padayachee. As a result, the political elite that favoured State Capture is seeing its support eroded among the majority of the population, as doubts arise about its ability to achieve structural transformation successfully.

State Capture arises from the inconsistency between the State and the class structure. It emerges from the profound collective frustration stemming from the rise to political power of a social elite unable to integrate with the existing economic elite. As awareness spreads, the new political elite progressively leverages its dominant position within society through the State machinery to amass wealth, thereby damaging State capacities and sparking societal resistance. State Capture will end through a de-racialization of class relations combined with a

strong universal-patriotic drive in civil society that reaffirms, in practice, the importance of the public interest. This will require genuine development and real improvement in public services, coupled with efforts to reduce unemployment and poverty. This can only happen through a political coalition capable of enforcing an economic program, such as MERG, that can generate enough structural economic development to enable a new capitalist elite to establish itself, supported by a genuine developmental State that would simultaneously improve the condition of the subordinate classes.

It is as easy to formulate the exit path in abstract terms as it is difficult to envision concretely when and how this will happen.

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