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one against the other, and neither can be wielded by the working class; replacing the ANC with a new party, or Jacob Zuma with a new ANC head, would make no more difference than replacing Thabo Mbeki by Zuma did.

The state cannot be changed or captured or contested; it can only be fought. Since the state, like private capital, operates in structural antagonism to the working class that it helps exploit and dominate, it must be resisted by its victims, outside and against its structures.This requires a bottom-up class-based movement, with a different logic and different imperatives – a movement that is, at once, anti-capitalist, anti-statist, self-managed and libertarian, and, ultimately, revolutionary.Time to stop choosing rulers at the ballot box.

REFERENCES

Note the following did not appear in the published version, in line with the current 'SA Labour Bulletin' style:

- This article leaves aside contentious issues of the sectoral composition of state and private capital in South Africa, that is, the debates over whether it has become "financialised", represents a "minerals-energy complex" (MEC) etc. The focus is less on where, than on how and who, "owns" South Africa.
- While the ANC was the elected government from 1994, it was part of the transitional executive government with the NP from 1993, in which period the transitional government took the country's first IMF loan in years.

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The debate on 'white monopoly capital' has some blind spots as it omits the role of the state in ownership and control of the means of production. The state also controls the means of coercion and administration.

South Africa today is a morass of wretched inequality, racial tensions and class conflicts.

Despite real gains in basic rights and welfare, and the abolition of apartheid laws, its transition remains limited and frustrating, 20 years on. Nelson Mandela's South Africa is profoundly better than P.W. Botha's, but is no paradise; and the legacy of the past remains everywhere in the present.

For many in the unions, Marxist, social democratic and nationalist left, the blame lies primarily with 'white monopoly capital', i.e. the giant apartheid-and segregation-era private corporations that remain central. These are seen as the main obstacle to radical change, and the African National Congress (ANC)-led post- apartheid state's main failure is seen as failing to tackle 'white monopoly capital'.The key strategic perspective then becomes changing the state, the better to intervene, whether through higher taxes, or a 'developmental state', more black capitalists, some nationalisation etc.This is really what lies at the heart of calls for a 'second transition' (by sectors of the ANC and the Congress of South African Trade Unions (Cosatu)), or 'socialism' (by sectors of the National Union of Metalworkers of South Africa (Numsa), the United Front (UF) and Economic Freedom Fighters (EFF).

But this analysis and strategy, I argue, ignores major changes in the political economy associated with the 1990s transition – notably, the denationalisation of the economy with massively expanded foreign ownership, and a growing black private corporate leadership – and also rests upon a very weak analysis of the state apparatus – both in terms of its class character and economic power. Claims that blacks have political power, not economic power, or that white private corporations have a stranglehold over the economy, remove the black economic and political elite from the picture, erasing it from strategic considerations.

Existing alongside vast private companies – not all of which fit the label 'white monopoly capital' is another massive economic force, the state apparatus – the biggest single employer, landowner, income earning institution, and by any reasonable measure, the dominant 'monopoly capital' in electricity, rail, roads, forestry, television, sectors of banking, higher education and elsewhere.

South Africa, I argue, is controlled by a single ruling class, divided into two sectors: a (largely white) private sector elite, and a (largely black) state elite.This is united at both a deep structural level, through common interests and interdependence, and at a more conjunctural level, by current neo-liberal programmes and alliances, among which note can be made of the Growth Employment and Redistribution (Gear) Strategy (1996) or the fact that almost every single cabinet minister is a shareholder in one or more companies. It is not held together by the corruption of a few people, or by incorrect programmes, not by poor state leadership, not even by the ANC, all of which can be changed.

The state can no more be wielded against private capitalists than one brick in a wall can fight another – and capitalism and the state can no more lose their character of exploitation and domination than a wall can become an aeroplane. Efforts to capture the state can, at most, lead to a few people, mainly party leaders, joining the ruling class – nothing more.

The strategic task must then become one of building a movement outside and against the private and state corporations and the state more generally, by the broad working class (including the unemployed), which is both victim and potential destroyer of the system.

The black elite, whether in the state, or in the private sector, is an active part of this system, and its beneficiary – not a bought set of black faces, not a 'petty bourgeoisie', not a 'com-

STRATEGIC IMPLICATIONS

But also reinforcing the blind spot on the state, is a certain naiveté regarding the class character of the state.As indicated in the opening, many – I would say, most – South Africans believe the state itself has an empty place of power, that is, an empty drivers seat, at the top: with the right driver (party, individual) and the right map (policy, programme), it can go anywhere. Thus, the fetish of parties, the fetish of elections, the fetish of great (or flawed) leaders as solutions.

But the state is locked in an endless embrace of capital, since, just as capital needs the state, the state needs capital. Further, the state is vastly more than the talking heads of parliament and cabinet, despite the obsessive media coverage of this layer, and its upper layers are inherently part of the ruling class, and finally, the state is both site of accumulation, and promoter of accumulation.

This is a deep, entrenched, system, its current form – the white/black elite pact -representing a historical epoch of the system in South Africa – not something that can be changed by an election or two.

This is not a conspiracy, based on hidden networks or manipulations; its domination and exploitation of the working class rests on open, centralised control and ownership of means of administration, coercion, and production – or, crudely, on officials, guns and money. Conversely, direct ownership of means of production by most South Africans, regardless of race, is extremely minimal, living in the shadow of giant private and state companies. Even the 13% of land for black Africans in former homelands is effectively held by the state in 'trust', and controlled by state-paid kings and chiefs.

That being so, the notion that the state can really be changed through elections – let alone wielded by the working class against private capital, or 'white monopoly capital' – is profoundly flawed. Private capital and state cannot be played,

RETHINKING CLASS

Underlying this blind-spot on the state are both Marxist and liberal habits of thinking, in which ‘the economy’ is seen as something outside of the state, and in which ‘classes’ are seen, basically, as layers within ‘the economy’. However, even in today’s neo-liberal world, states remain massive economic actors, and inequalities in wealth and power – the basis of class – correlate as much with the upper levels of states (including state corporations), as they do with the upper levels of corporations.

It is more reasonable, then, to use an anarchist/syndicalist class model, in which the ruling class comprises not just those who personally and legally own substantial means of production, but also those who have effective economic control over those means, including heads of state corporations; further to include in the ruling class, also those who have effective ownership or control over the means of administration or coercion, which means, primarily, those who control the state. Given the hierarchical character of the state,’those who control the state’ are those at the upper levels of the state: the layer that controls state companies, departments, institutions, local governments, and security, a layer that includes MPs, ministers and directors, mayors and municipal managers, vice chancellors and rectors, senior judges and police chiefs.

To summarise, private capitalists are part of the ruling class, but only part, and exist in a balance with the state elite, which has its own resources and its own agenda, and thus, its own agency and its own guilt; crudely, the ruling class centres on capitalists and state managers.

prador’ layer, but a powerful sector of the ruling class, in its own right, with its own agenda. It cannot form a reliable ally of the working class, partly because its class interests and very existence rest upon the ongoing subjugation of the working class, partly because it is part of an elite pact of class domination with private capital, and partly because its own agenda – survival and expansion – must clash with working-class interests.

CHANGES IN CAPITAL STRUCTURE

The left and labour focus on ‘white monopoly capital’ has the very real merit of revealing both continuities with the past, and part of the present problem – but it sidesteps massive changes in the private sector, including denationalisation and Black Economic Empowerment (BEE) and ignores the economic size and power of the state sector.

And, certainly, it is correct that ‘white monopoly capital’ has played a central role, both past and present. By 1987, over 83.1% of all shares on the Johannesburg Stock Exchange (JSE), now the Johannesburg Securities Exchange were owned by four giant companies, with Anglo-American (despite the name, a South African company) owning 60.1%, followed by Sanlam at 10.7%, argues Cosatu.With the 1990s transition, the Big Four were not subject to any penalties, were largely exempted from the Truth and Reconciliation Commission (TRC), and benefited massively from post-apartheid economic policies and state contracts (for example, construction in preparation for the 2010 World Cup).

In all parts of the private sector of the economy, the pattern of a few giant companies, persists: one effect is persistent price-fixing by cartels, exposed in sectors ranging from concrete to bread, by the country’s Competition Commission over recent years.These large private firms – mainly rooted in the pre-1994 period, historically white-owned and dominated, with a corporate culture marked by the apartheid era – may correctly still be termed 'white monopoly capital.'

Several developments, however, complicate the picture.The first is that in the 1990s 'white monopoly capital' generally 'unbundled', i.e. focused on one industry. For example, Anglo sold many of its holdings in banks and retail, in favour of a mining focus. They also globalised aggressively. For example,Anglo moved its main share listing from the JSE, to the London Stock Exchange in 1999. Its single biggest current project is Brazil, not South Africa.

DENATIONALISATION

The second is that the South African economy has been progressively 'denationalised' from the 1990s.The Big Four that dominated the JSE were all South African-based companies, albeit owned by white South Africans. The onset of neoliberalism in the late years of apartheid under the National Party (NP) (from 1979) and the acceleration of neo-liberalism under the ANC (from 1993) changed the picture.

Tough capital controls that previously made it almost impossible for South African companies to move most of their assets outside the country despite political turbulence and economic decline, writes David Kaplan, forced 'white monopoly capital' to develop into giant conglomerates within the country. Despite limited exports of capital – Anglo had more investments in the USA than Unilever, according to one estimate, argues Duncan Innes – the strict capital controls meant Anglo evolved from being a mining house to having massive holdings in agriculture, industry, retail and media. The existing monopoly structure in mining (and state industry) was now systematised widely.

state office and factionalism and administrative dysfunctions in the state.

NATIONALISATION?

It is here that the endless factionalism of the ruling ANC, as well as within state departments and corporations, as well as within rival parties, has its roots: leading offices in the state are limited, the competition for them exceedingly fierce; as different factions emerge, each seeks to lock down control of resources for itself, leading to purges of rivals and splits (e.g. Mbeki's expulsion of Zuma, Zuma's expulsion of Julius Malema), and elections operating as a means of getting to the state coffers.The ANC, as I have argued elsewhere, is a 'bourgeois- bureaucratic black nationalist party', representing primarily the interests of the emergent black capitalists and the (largely black) state elite – and a key channel for access to state resources for the lucky few.

Advocates of nationalisation should pause to consider the existing mess. In the 2013/14 financial year, South African Post Office executives failed to meet most planned targets, misspent R2.1-billion on tenders, and stumbled from crisis to crisis; while Post Office workers waged a series of massive strikes in 2013 and 2014. It emerged that top managers – who plead poverty when faced with workers' demands for higher wages and better jobs – awarded themselves a 26% wage increase, write Sikonathi Mantshantsha and Karl Gernetzky in the "*Business Day*."

The idea that nationalisation is, in any size, shape or form, socialist, is completely mistaken: all it means is shifting resources between the private and state wings of the ruling class, not shifting them to the working class; state ownership is not working-class ownership.

TAKING THE STATE SERIOUSLY

None of this is captured by the 'white monopoly capital' formulation, which therefore ignores the largest employer and largest landowner, as well as the dominant 'monopoly capital' in a range of sectors. It also ignores the ways that the state itself acts as a site for accumulation, whether illicitly (e.g.'corruption'), legally (e.g. MPs earning R85,000 monthly alongside numerous perks), informally (e.g. being 'in' on contracts given to the private sector).This is besides the role of the state in promoting the conditions for accumulation, both generally (e.g. political stability) and for specific categories (e.g.Afrikaner capital under the NP, and BEE capital under the ANC).

In contexts like that of South Africa, this function of the state as site for accumulation becomes exceptionally important for the rising black elite, which is in many ways still quite marginal in a private sector locked down by giant firms. It is less the case of billionaires winning elections, and then returning to their firms after their terms, than of politicians becoming billionaires by winning elections.

The (mainly black) state elite is no mere 'comprador' layer, but a powerful ruling class sector, with its own agenda, of survival and expansion.This involves using the might of the state to prise open the doors of the boardrooms of the private sector, where black capitalists remain a minority, through measures like BEE; it also includes accumulation through the state apparatus.

In both of these ways, the black ruling class sector has real and independent effects on the political economy, ranging from the problems caused by corrupt, ineffective municipal administrations, to the challenges of affirmative action, to the opportunities of working with black capitalists and politicians to score lucrative state contracts, generating bitter battles for

It was ANC-led liberalisation of capital and other controls that allowed Anglo to relocate its primary listing to London in the 1990s. Looser regulations were part of growing efforts to position South Africa as an attractive 'emerging market', and growing global flows of foreign investment have seen the JSE change. The NP had pioneered neo-liberal measures in the 1980s, mainly through austerity, sales of major state companies like Iscor and Sasol, and tax reforms.

The ANC continued these, but also opened the economic gates on a scale unseen since the early 1920s. It became more attractive to invest – sometimes, some would say, primarily, for short-term profits and speculation – but it also became easier: notably, from 2004, foreign companies could list directly on the JSE.

A major effect is that while South African companies controlled 83.1% in 1987, in 2012, foreign investors held 37% of all shares, and 43% of industrial shares, on the JSE writes Gillian Jones.While this 'foreign' ownership does include some 'off- shored' locally-based capital, i.e. South African capital, re-entering via channels elsewhere, the change is significant.

So, while 10 companies control 50% of JSE capitalisation, a substantial part of this ownership is not traditional 'white monopoly capital', but also includes off-shored semi- South African firms, South African- based firms, and other foreign firms, argues Roger Southall.

BEE AND STATE CAPITAL

A third change is that, despite (white) private corporate hesitancy on BEE, around a quarter of JSE- listed company directorships are held by people of colour ('black' in South African law) according to M. Sibanyoni writing in the "*City Press*," with the proportion of senior managers in the private sector at 32.5% (2008), adds Southall.

Now, directorships give real control of means of production, as well as economic 'ownership', i.e. the ability to make key decisions on use, even if the directors are not themselves majority shareholders.

Given that 37 to 43% of JSE shares are not owned by South Africans, white or black, it is not entirely obvious how much this 'black' control is in South African companies, although a substantial proportion must be, since foreign investors are exempted from BEE commitments like share deals and affirmative action.

Finally, the state is the elephant in the economic room. Standard images of the post-apartheid economy partially capture the reality: blacks have political power (or, more accurately, a black elite has state power), and whites have economic power (or, more accurately, a white elite has private corporate power). Crudely, this captures a simple truth: a (mainly black) political elite, its power centred on the predominant ownership and control of means of administration (e.g. the state bureaucracy) and coercion (e.g. the police) through the state, is allied to a (mainly white) economic elite, its power centred on the predominant ownership and control of means of production (e.g. the mines), through private corporations.These two sectors comprise, together, the South African ruling class.

But this basic division should not obscure the profound economic power of the state apparatus.The distinction between the two ruling class pillars – one, the political elite/state managers/means of coercion and administration; and two, economic elite/private corporations/means of coercion and administration – is real, but not absolute.The (mainly black) political elite of state managers has, through the state, direct control over substantial means of production e.g. state corporations like Eskom (see below); and the (mainly white) economic elite of big business has, through the private corporations, direct control over substantial means of administration

and coercion, for example through corporate managerial and security systems.

STATE CAPITAL

To make this concrete: a focus that stresses the (mainly white) private sector elite vanishes not only the black elite in the private sector, but the powerful and wealthy black elite in the state sector, which controls around 30% of the economy through the state, including state banks (e.g. the IDC), state corporations (e.g. Eskom, South African Airways (SAA)), state facilities (e.g. the water grid and harbours), mass media (e.g. South African Broadcasting Corporation (SABC)), a world-class weapons industry (e.g. Denel), high- end research (e.g. the universities); plus 25% of all land (including 55% in the provinces of Gauteng and the Western Cape), making it the single biggest landowner in the country; as well as wielding an Africanised army and police, and state bureaucracy, making it the single biggest employer in the country; through the taxation system, it also receives more income from South Africa than any other single institution operating in the territory, writes M. Mohamed.

Some of these operations run on a for-profit basis (notably, Eskom and SAA), albeit with uneven success, making them almost completely indistinguishable from any 'white monopoly capital', beyond the fact that management is likely blacker. Private corporate ownership, as noted earlier, has a long and dismal history in South Africa: this includes a history of corrupt, and monopolistic practices.Yet it is also incorrect to see the state's operations as more desirable, with problems like political cronyism, waste, corruption, lack of maintenance and investment a mainstay of both the NP and ANC periods.