

# **State 'capture' or the nature of the state?**

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# Contents

<b>What are states?</b> . . . . .	3
<b>States and capitalism</b> . . . . .	3
<b>The South African state</b> . . . . .	4
<b>Conclusion</b> . . . . .	4

Across the political spectrum, individuals and organisations have been expressing their disgust and shock that a faction – indeed a single family, the Guptas – have ‘captured’ the state. Consequently, there have been calls for state ‘capture’ to be ended through firing Zuma.

The Gupta’s offering cabinet posts to politicians, if true, was brazen and corrupt. While the fact that a section of capitalists – in this case a family – have such influence over the state should disgust us; it should not come as a surprise. To understand why, it is important to look at what states are, why they arose, and whose interests they serve. Coupled to this, it is essential to look at a few examples of how the state and capitalism in South Africa have always been defined by cronyism and corruption.

## **What are states?**

The reason why many analysts have been shocked by the Gupta’s actions is largely because they have incorrectly viewed the state as being a benign body. Many analysts have expressed an undertone in their writings that the state exists in the interests of all and is supposed to function to redistribute resources for the benefit of all. The fact that a rich family has ‘captured’ the state, therefore, appears to be shocking.

The reality is that throughout history, states have been far from neutral and certainly not natural. States have rather been instruments of, and under the control of, a ruling class – whether a royal family, a wider aristocracy, priests, bureaucrats, capitalists, and/or politicians. States only arose historically when a minority began exploiting and oppressing a majority to extract wealth from them. States have, therefore, been central to the class rule of an elite minority and arose to enforce class oppression. States – when they have existed – have always been controlled by an elite, and have served the interests of an elite to the detriment of a majority: this is why they arose in the first place.

## **States and capitalism**

Under capitalism, it is still the ruling class – capitalists and top politicians/bureaucrats – that control the state and use it to further their own interests, including accumulating wealth. Even in a parliamentary system it is not the majority that rule. Powerful capitalists influence the state, including its policies and laws. When in power, politicians rule in the interests of their class: the ruling class. Those that enter into top positions in the state can, and do, use the state to accumulate private wealth.

Sections of the ruling class occasionally fall out with one another, but what they all do is ensure that the state keeps a majority oppressed and exploited so that wealth can be extracted from them. If anyone doubts this, look at Marikana.

Through ideology, though, the state tries to create the impression it is neutral, natural and controlled by a majority. It is not. ‘Citizens’ only vote for a small portion of the state. In South Africa that means 400 odd parliamentarians; while most top state officials are unelected. It is also not the majority of people that make and influence the laws; but rather corporations, state legal advisors, director-generals, the executive and parliamentarians: in other words the ruling class.

Nonetheless, states can and do also at times, and under certain circumstances, serve the interests of an even narrower section of the ruling class, and sometimes even certain powerful families

and individuals. The hierarchical and centralising tendencies of states make this possible (while generally serving the interests of the whole ruling class). None of this is unusual. The history of the state in South Africa is a prime example.

## **The South African state**

The state in South Africa was set up by, and from the beginning served, the interests of the ruling class. The state violently expropriated land and conquered the black population. The main aim was to create a pool of extremely cheap labour that could be exploited by mining, agricultural and industrial corporations. White workers were and have been exploited too, but it was the black working class that were and are the main source of the massive profits in the country. It has been the state, under the control of a ruling class, that created and still maintains this.

The state, while creating and maintaining these conditions, has at times also simultaneously served far narrower interests. For example, when Rhodes was Prime Minister of the British-linked self-governing state at the Cape in the 1890s, he pushed through the Glen Grey Act. This was aimed at forcing the black population into 'reserves' with the goal of driving down wages on the mines, notably at De Beers. Compared to Rhodes, the Guptas are amateurs.

Likewise, in the 1920s under segregation, the state was instrumental in ensuring that De Beers – owned by the Oppenheimer family by then – was given the diamond fields in Namibia. The then Prime Minister, Smuts, even attempted to annex Namibia at the behest of Oppenheimer. It was such influence over the state by Oppenheimer that made it possible for De Beers to monopolise the diamond trade.

Under apartheid such shenanigans were also common. Along with maintaining a general environment favourable to capitalists, the state explicitly embarked on Afrikaner Economic Empowerment. This benefitted a handful of Afrikaner families, like the Ruperts, who had influence over the state and National Party. As part of this 'empowerment', companies like Sanlam were promoted, and cabinet ministers who passed laws and handed out deals in favour of such companies were also key shareholders.

Since 1994, individual families and corporations continued to have a profound influence over the state and have benefitted from its patronage. Notably, the Oppenheimers and Ruperts were rumoured to be central in deciding on the appointments of the Finance Ministers in 1994 and 1996. It was probably no accident both these families then benefitted from the state allowing their companies to register off-shore. Likewise, under the state's Black Economic Empowerment, other families with major business interests, besides the Guptas and Zumas, have influenced the state and benefitted from its patronage, including the Ramphosas, Hulleys, Mandelas, and Radebes/Motsepes.

## **Conclusion**

The reality is that the South African state has always been controlled by a ruling class. As part of this a handful of powerful capitalist families have always had a huge influence over the state, and have benefitted from such relations. What the Guptas, with Zuma at their side, have done in appearing to be involved in appointing cabinet ministers and receiving preferential treatment, sadly, is not unusual. Firing Zuma won't change an elite few influencing and benefiting from the

state – it will, at best, make it less brazen. If we truly want to be rid of such insidious relations, however, then we should look to eventually get rid of the root causes: capitalism, class rule and the state system that is bound to these oppressive structures/relations.

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