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A COMMENT ON CAPITAL AND THE STATE IN SOUTH AFRICA

Belinda Bozzoli August 1977.

A recent article by Davies, Kaplan, Morris and O'Meara, 'Class Struggle and the Periodisation of the State in South Africa'[1] sets out to deal with the 'periodisation of the political in South Africa, ie changes in the form of state', and is concerned to 'understand the historical role of the South African state in the class struggle .... which specific interests it served, and how it came to assume its specific and distinctive form'.

However, it would seem that the authors of this article fall short of their somewhat ambitious aims, and that they thereby raise important questions of a theoretical and methodological nature about the analysis of the state in general, and in South Africa in particular. This critique of their article, which will hopefully be seen as a constructive one, raises two of the most important areas which seem to present problems. First, it asks why it is important to 'periodise' the South African state, and what it is about this state that requires special explanation. It is suggested that the authors have only gone part of the way towards answering these questions and thus towards providing a foundation for understanding the South African state's particular characteristics. Secondly, the question of the value and usefulness of the concepts 'fractions of capital', 'hegemony' and 'form of state', as they are defined by the authors, is raised. These concepts are all critically scrutinised, and it is suggested that many of the inadequacies in the article's treatment of the South African state have their origins in theoretical weaknesses. Other minor problems raised by the article are included by implication in these areas of criticism, or are raised in the appropriate parts of this discussion.

There seem to be two major sets of reasons (and innumerable less major ones) why it is important to understand the nature of the state in South Africa, and the stages through which it has passed. The first set of reasons is that arising from the fact that the Marxist analysis of South Africa is still at an early stage, particularly as far as politics is concerned. In conventional South African studies the state has usually been considered by writers adhering to either a 'liberal capitalist' or a pluralist point of view. Very little has been written specifically on the state by Marxists which effectively, comprehensively and comprehensibly challenges the intellectual hold of these interpretations. On one level, there exists the simple need for a wide-ranging reinterpretation of the major political and legislative landmarks in South African history, based on a rigorous analysis of class formation, struggle and decline.

The second set of reasons exists on a deeper level. It arises from what Davies et all call the 'specific and distinctive form' of the South African state. Implicit in much of the Marxist literature on South Africa is a rough basic agreement, I believe, that the specific form of the South African state has two aspects to it. The first aspect has occupied the attention of, amongst others, the authors of the article presently under review. Simply put, this is the fact that South Africa, a country which experienced imperial conquest of a far-reaching and violent nature, 'broke out' of the vicious

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However, as far as the second set of reasons is concerned, the article seems confused and at times superficial. The thesis put forward here is that Davies et al fail to provide an adequate basis on which an explanation of the two unique features of the South African state may be constructed, and that their failure is attributable to certain weaknesses in their theoretical conceptions of 'fraction', 'hegemony' and 'form of state'. While it is impossible to put forward a comprehensive alternative view in a small space such as this, it is, I feel, possible to outline some of the major areas in which Davies et al fall short, and to suggest, in a brief form, an alternative approach.

Davies, Kaplan, Morris and O'Meara certainly tackle the first aspect of the uniqueness of the South African state. Although some writers may go so far as to deny it, it seems that most would agree that whereas before the first World War, the South African economic and social system was under imperial domination of a far-reaching and complex kind, by the 1930s economists of a Rostowian bent could apply to the South African economy terms such as 'take-off'; and by the end of the second World War the South African system was set on a path of capitalist development, albeit of a peripheral sort. A massive change, both in the nature of the state itself, and in the social formation in which that state was embedded and upon which it acted, seems to have taken place in South Africa some time between the two world wars. The questions that arise from this fact are many. What was it about the South African class structure that enabled it to break out of the underdevelopment syndrome? What was the state's role in the transformation? And concomitantly, what was the nature of the transformation undergone by the state during the move from an 'imperially dominated' system to a capitalist one? The state, it seems, was both an agent and a subject of change in a class society.

Davies et al have turned to the Poulantzian concept of 'hegemony within the power bloc' for answers to these questions - or at least their interpretation of this concept. The power bloc, they argue, consist of the various 'fractions' of the dominating classes. Within that bloc one fraction (or in some cases a combination of fractions) attains a position of 'super-dominance' - in other words, it dominates not only the social formation as a whole, as would any dominant group, but all the other fractions of the dominant classes in addition. It is this fraction that is, it seems, the 'hegemonic' one. If, by an analysis of the legislative and political actions undertaken by the ruling group, the nature of the hegemonic fraction can be deduced in any one period, then the 'periodisation' of the South African state may be outlined; part of this periodisation will inevitably provide an understanding of the change in 'hegemony' from imperialism to capitalism in South Africa. Their article proceeds along lines dictated by these theoretical presuppositions. They do not confine themselves to the problem of the transition from imperial to national capital, but attempt to put forward a complete explanation of all changes in the power bloc between 1920 and 1950. But the problem of the transition nevertheless occupies a central place in their argument, which may be summarised roughly as follows.

In imperial times, it seems obvious that of all the various fractions of capital, it was the mining fraction that was in a 'hegemonic' position. Mining dominated not only the pre-capitalist formations, and the working class, but it also exerted power over the manufacturing, agricultural and commercial

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sectors of the ruling class. Imperial capital, in other words, could virtually be equated with mining capital, and the character of the South African social formation in the era of imperial hegemony could be traced back to the all-pervading influence of mining.

During the 1920s, however, a series of crises which had shaken mining hegemony came to a head. The first World War and the subsequent depression, the 1922 white mineworkers strike, and the rise of local manufacturing, all provided a complex structure of pressures on the power bloc, opening the way for a different fraction of capital to attain a position of 'super-dominance' within it. Davies et al argue that the fraction poised to take over was what they call 'national capital'. This is a rather poorly-defined category, but it seems at least in the 20s to have consisted of manufacturing and agricultural capital. In the 1924 election the Pact government came to power, as the representative of this fraction of capital. As the article puts it:

> Eventually, in 1924, in alliance with a fraction of the new petty bourgeoisie and supported by strata of the white and black wage earning classes, national capital achieved hegemony.[3]

After this victory by national capital, the South African power bloc was the scene of several complex changes in hegemony. First, national capital apparently maintained its hegemonic position until the 2nd World War; the political turmoil of the early 1930s was not, according to these writers, indicative of a shift in hegemony, but was merely conflict on the level of the 'political scene' - ie the party political level - and not on the more basic level of 'political practices' where the real shifts in hegemony take place. But during World War 2 'agriculture lost its hegemonic position' and 'the special conditions of the war produced an unstable alliance between manufacturing and mining capital within which manufacturing maintained a tenuous hegemony'. (one of Davies et al's many italicised phrases.)

After the war had ended things became even more complex, for the 'structure of hegemony collapsed'. Because the United Party was 'unable to accommodate all the contradictory interests of the fractions of capital it represented' the National Party was able to attain political power in 1948, and it defended the re-establishment of the hegemony of 'national capital' against the ever-powerful position of imperial mining. Nevertheless the 'power bloc remained disorganised for much of the fifties' and it was only in the 1960s, in fact, that a clear structure of hegemony could be said to have re-emerged, when the 'NP state ... reorganised the power bloc to establish the hegemony of interpenetrated monopoly capital'.

In summary, the article seems to see South Africa's development something along these lines:

date	pre-24	24	33	40	48 50s	60s
nat/imp. fractions	imperial mining	national manufac. + agric.	national manufac. + agric.	national manufac.	disorganised but national being defended	national + international monopoly

Several serious criticisms have been levelled at this analysis and others of its type. Clarke has pointed to the inadequate definition of 'fraction'; to the explanatory weakness of a framework that allows the most crucial twenty years in South Africa's recent history to be categorised as years of 'disorganisation in the power bloc'; and to the apparent similarity between this form of analysis and conventional 'interest group' theory. Some, but not all, of these criticisms are valid, and most of them are taken up, either explicitly or implicitly, in the following critique. But what seems clear from this diagrammatic representation of the periodisation of the South African state, and what Clarke's critique is unable to cope with, is the vividly marked break between the pre-1924 period, when 'imperial capital' dominated; and almost the entire post-1924 period, at least until the 1960s, when 'national capital' was, it is alleged, either itself hegemonic, or was being defended. Whatever problems there are with their analytice framework, surely Davies and his co-authors have provided confirmation of the existence of the same 'massive change' discussed above?

The problem is that the authors do not treat it as a 'massive change'. It is accorded some significance in the conclusion, where they state that 'the early assumption of hegemony by national capital is the unique feature of the South African state'. But in the analysis itself, this change is simply treated as a matter of re-arrangement in the power bloc, resulting in legislative and political changes of a variety of sorts. This enormous change, from imperial to national capitalism, is accorded no more importance in their analysis than other changes in the system of dominance. This is puzzling. Surely it is a question of great importance to Marxism? How did imperial capital, which twenty years earlier had supported an imperial war on a vast scale in order to secure its hegemony, suddenly lose that hegemony at a stroke - and an electoral stroke at that? Whereas elsewhere in Africa , such as in Kenya and Algeria, the second World War, plus local, long-lasting rebellions and wars, involving thousands of troops, deaths, and vast expense, were not sufficient to prevent imperial capital from imposing a neo-colonial solution, in South Africa the first World War and the 1922 strike (admittedly a highly critical event but one which was effectively and rapidly crushed) seem to have been sufficient to force imperial capital to give up the ghost.

The crux of my criticism is that Davies et al fail to distinguish between basic changes in the nature of capitalism itself, and less basic changes within a definite and relatively stable capitalist system. While the change from imperial-dominated to national capitalism may be said to constitute a basic change, the change within national capital from dominance by manufacturing and agriculture, to dominance simply by manufacturing, may not.

Furthermore, it is for the more basic kind of change that it seems analytical concepts such as 'form of state', 'hegemony' and even 'fractions of capital' should be reserved. It seems that it is their too liberal use of these concepts, and hence their devaluation of them, that has rendered Davies et al vulnerable to the kind of criticism levelled by Clarke. In their article, Davies and his co-authors use 'hegemony' to mean little more than the hidden hand of capital; they reduce 'imperial' and 'national' capital somewhat economistically to particular economic sectors such as mining and manufacturing;

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while the 'form of state' seems to mean little more than the nature of the interests represented by the political parties in power at any particular time. One suspects that Clarke is right, and that rather than talking about 'hegemony' they are talking simply about 'interests' and their realisation at a political level. This in itself, in spite of Clarke, is an extremely valid and useful exercise, as long as 'interests' are separated into political and economic, and as long as they are not defined subjectively. But Davies et al make neither of these refinements. And in any case interest theory alone, however Marxist, does not lead one to an understanding of the 'form of state' nor of 'hegemony'. It rather enlightens one about elections and governments, about laws and their administration. This explains the heavy dependence of this article on elections. Every time there is an election, there seems to the authors to be a change in hegemony. There is a change, but it is not in hegemony. It is in the structure of interest-representation. The Davies article points to so many 'changes in hegemony' that when a real change does occur, it is barely accorded the attention it deserves.

The major reason for this inadequate treatment of the change in South Africa from imperial to national capital is that too much weight is given to the concept 'fractions of capital'. Because mining capital was imperial, and because mining capital also predominated in South Africa before 1924, it is assumed that 'imperial capital' is simply another fraction of capital, on a par with agricultural capital, commercial capital and manufacturing capital. But surely this is not so? Imperial capital is <u>not</u> a 'fraction of capital' at least in the narrow sense in which the term has been used in most of the Poulantzian literature. It cannot be reduced to, or equated with, an economic 'sector' such as 'mining'. Imperial capital is rather a whole structure of capitals, and it exists on economic, political and ideological levels. It is - even in Poulantzas's own terms, and surely in Marx's, - a class rather than a fraction of a class.

In South Africa imperial capital was not synonymous with mining by any means. Import-export commercial capital, foreign owned manufacturing, and agricultural capital all played vital parts in the political, economic and ideological maintenance of the imperial South African social formation. South Africa, like any underdeveloped country today, was 'locked into' an imperial economic system of imports and exports, of surplus being drained out, of manufacturing for the benefit of the monopoly enclave rather than for the full industrialisation of the economy, and of surviving and exploited pre-capitalist modes of production on the periphery. Within the overall domination of imperial capital in South Africa it is surely true that mining capital held a place of 'super-dominance', or in Davies et al's terms, 'hegemony'. But this was the dominance of one fraction or interest within a whole complex and intertwined structure of interests. Moreover, because imperial capital was a class, it is clear that mining's dominance was not simply a matter of voluntaristic tussles for hegemony in the power bloc, but was the result of the fact that mining was best placed to realise the interests of capital as a whole at that time. The dominance of mining was inseparable from the class dominance of imperial capital in general, and indeed was only a manifestation of it.

The inadequacies of the article's treatment of imperial capital are masked by the fact that mining capital was fairly clearly and consistently in the vanguard of imperial domination throughout, and the identification of imperial with

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mining capital is therefore easily made. But when it comes to their treatment of 'national capital' the authors flounder. Leaving aside for the moment the vexed question of how the change actually came about in the South African case, when the Davies article comes to discuss 'national capital' it is clearly unable to reach any sort of adequate conceptualisation of it. Sometimes it is clearly meant to refer to agricultural capital; sometimes it refers to agricultural and manufacturing capital; sometimes to manufacturing capital alone; and sometimes it refers to Afrikaner capital (presumably of both an agricultural and manufacturing nature). In their anxiety to equate national capital with a fraction, or a combination of fractions, the authors find themselves unable to cope, and once more open themselves up to Clarke's criticisms of their inadequate definitions and their tendency to enter the realms of 'bourgeois sociology'.

This too arises from the fact that national capital cannot be reduced to, or equated with, its constituent fractions. National capital too is a whole structured combination of capitals, of fractions and even of fractions of fractions. It too could warrant being called a 'class' rather than a fraction of a class, its repercussions on the social formation being far-reaching on the economic, political and ideological levels. By the 1930s, elements not only of agriculture and manufacturing, but also of mining and commerce, were clearly in the national capitalist camp. And by the 1940s, this class had become strong enough to alter some of the central features of South Africa's imperial social formation. Most of the major obstacles to the ending of underdevelopment had been removed: surpluses were no longer being drained away at quite such a rate, but were being diverted; key infrastructural state enterprises had been set up; industrialisation had ceased to take place only in the interests of the monopoly enclave; and commerce had ceased to play the role of locking the South African economy into a world system of imports and exports, but had become nationalised instead. At least on the economic level, national capital had brought about significant changes. The question of whethe these constituted full hegemony is raised below.

Just as had been the case with imperial capital, the question of which sector dominated within national capital is crucial. Here it seems that Davies et al have mistaken the conventional concept of 'interest group' for the Marxist concept of 'interest'. For as had been the case with imperial capital, it is surely the sector, or 'fraction', that is most in tune with capital's overall objective interests that is going to be able to lead the capitalist class as a whole? And it seems that it is highly unlikely that the agricultural sector could ever be placed in a position to do so, in a phase where national capital is rising to a position of predominance. The history of agriculture in South Africa seems to be one of compromise rather than leadership. Moreover, agriculture has only a secondary interest in industrialisation, not a primary necessary interest. It is therefore unable to lead capital as a whole in a period where the transformation of the social formation in the interests of industrialisation, is necessary. At most, agriculture, (and the same applies to commerce and mining) can act as a crucial political and strategic ally to th necessarily leading and dominant sector in a period of industrialisation - manufacturing. Manufacturing capital must be, and, I would argue in the South African case, was, in the vanguard of the class interests of capital as a whole. And just as manufacturing capital in this era was "English speaking", so was

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the character of the national bourgeoisie as a whole "English speaking", although its alliances with agriculture lent to this English-speakingness a particular character.

Thus the discussion by the authors of this article of the period in which national capital was allegedly dominant is superficially confused, and deeply wrong. The appearance of agriculture in the 'power bloc' is not evidence of the 'hegemony' of 'national capital', but simply of the political power of the agricultural interest. It certainly cannot be cited as evidence that the roots of the English and Afrikaner traditions lie in the distinction between imperial and national capital. The claim that national capital achieved hegemony as a result of the 1924 election, based as it is primarily on the clear presence of agriculture in the government, is quite clearly incorrect. The supporting evidence (that industrial capital had switched to support the Pact Government) is flimsy, and may easily be disproved. A reading of the industrial journals of the time indicates that manufacturing capital (which had never clearly supported any party, because of its incompatibility with a political system forged to suit the interests of imperial capital) did not support the Pact government to any significant extent at all, but that it continued to place its faith in the SAP for several years after the Pact government had achieved power.

The nature of South Africa's national bourgeoisie in this period, its composition, its ideology and its ability to replace the imperial bourgeoisie, is far too complex a subject to be explored here. But what can be said is that it is clear that at least by the 1940s that bourgeoisie was rising to a place of dominance; and that this cannot be simplistically explained in terms of the 1924 election. Some wider, deeper, and more far-reaching change was taking place in the South African social formation than Davies et al would seem to acknowledge. Although, as I have said, they may pay lip-service to the magnitude of the change, their conceptual framework does not allow for it to be fully accounted for. A conception of 'hegemony' which refers simply to alterations in domination within the power bloc between fractions is hardly adequate. What we have here is a change in the power bloc itself.

It is for this reason that it would be a pity to abandon the concept of 'hegemony'. In its original Gramscian form, and in certain passages in Poulantzas's writings, this concept seems well able to cope with the magnitude of the change we are discussing. Indeed it seems partly to have been designed precisely to cope with such a change rather than with the more limited changes referred to by Davies et al - Gramsci's concern with the 'hegemony' of the working class surely going deeper than simply the power bloc. In his discussion of hegemony Poulantzas in fact outlines two meanings of the term. The first, he says, indicates 'how in their relation to the capitalist state the political interests of these (the dominant) classes are constituted, as representatives of the 'general interest' of the body politic'. Here he is referring to <u>class</u> domination and not fractional domination. Quoting Gramsci with approval (and some reservations not relevant here) he points to the ideological, as well as political and economic significance of hegemony:

> Previously germinated ideologists become 'party', come into confrontation and conflict, until only one of them, or at least a

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> a single combination of them tends to prevail, to gain the upper hand, to propagate itself throughout society - bringing about not only a unison of economic and political aims, but also intellectual and moral unity, posing all the questions around which the struggle rages, not on a corporate but on a 'universal' plane, and thus creating the hegemony of a fundamental social group over a series of subordinate groups.[4]

Gramsci too, therefore, refers to 'class hegemony' and not fractional dominati Furthermore, by his concept of 'intellectual and moral unity' and 'posing all the questions around which the struggle rages' he makes of the concept of hegemony something more than a synonym for 'domination'.

The second way in which Poulantzas defines hegemony is as 'the particular domination of one of the dominant classes or fractions vis a vis the other dominant classes or fractions in a capitalist social formation'. It is only in this second, far more limited sense, that Davies et al have used the concept. Thus they have removed from it all notions of class interests (as opposed to 'fractional interests' - thus laying themselves open to Clarke's criticisms once more), and all notions of ideology. To them, hegemony refers simply to the supremacy of one fraction over others. It is not surprising, given this limited definition, that the class struggle is not, in spite of thei claims to the contrary, an integral part of their analysis, but appears sporadically as a 'factor' in 'periods of crisis'. One wonders whether the editors of RAPE are correct in their statement that although 'some readers might feel that the articles which follow concentrate unduly on the machinations of capita and the squabbles between its different fractions', we may rest assured that 'such an emphasis cannot be confused with a similar bias in much South African historiography which is based on the assumption that the history of South African whites is the history of South Africa'. Davies et al seem to come clos to treating blacks in South Africa as the objects of policy, rather than protagonists in the class struggle; this is yet another consequence of their theoretical inadequacies.

It would not seem incompatible even with Poulantzas's writings to enlarge the concept of hegemony so that it may embrace these wider and more significant aspects of hegemonic class domination (and even if this widening of the concept is a violation of Poulantzian orthodoxy, perhaps few would object in the light of the above critique). How useful it would be to have a concept such as 'hegemony' to capture the way in which imperial capital, led by mining capital, was able to mould the South African social formation, not only in its own objective economic interests, but in its political and ideological interests as well, so that 'imperial' South Africa came to be characterised by a particular system of exploitation, by a particular form of state, and by a particular 'hegemonic ideology' as well. And how much more illuminating than the narrow 'interest' and 'fraction'-based accounts, would it be to have an account of the rise of national capital in these complex terms.

Whether or not it is called 'hegemony', if this conceptualisation of the nature of class domination (whether imperial or national) is used, then the problem of explaining the transition from one form of hegemony to another becomes far great than Davies et al would allow. Instead of an analysis which at times seems in

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danger of resembling a game of musical chairs in the power bloc, the explanation would have to be undertaken on a number of different levels. Rooted in an analysis of the economic interests of capital as a whole, it would then have to branch out into an analysis of the political and ideological realisation of those interests, in both class and 'fractional' terms. Clarke is so right when he points out that capitalists are not the all-seeing, all-knowing beings that Davies et al would have us believe, but are basically short-sighted, narrow-minded and incapable of recognising their class, as opposed to their individual interests. But what Clarke does not acknowledge is that this is precisely why an examination of the activities of the ideologists, intellectuals and strategists of capital must occupy a central place in any analysis of its interests, for is through these that the petty-minded individual capitalist is enlightened as to his wider class position, and if he will not be voluntarily enlightened, he is coerced into conformity. It is only on this basis that it would be possible to explore the different and changing places of the different fractions within the overall class structure of capital as a whole. Commerce, for example, would have to be analysed in terms of its changing relationship to imperial and national capital respectively; the same would have to be done for mining, manufacturing, and to a lesser extent, agriculture. The analysis of capital would have to be undertaken in the context of its class relationships with the subordinate and intermediate classes, with the existing state, with the form of state it wishes to bring into being, and with other forms of capital. Only then could one understand the kind of hegemony needed by national capital and the long and painful processes necessary to its achievement.[5]

It is on the basis of this criticism of the Davies concept of 'hegemony' that the second aspect of the South African's state's uniqueness may be discussed. It will be recalled that the second 'unique' feature of the South African state was defined as the fact that it, unlike most (if not all) other capitalist states, is not based upon what Poulantzas calls 'the general interest of the people/nation In fact, Davies et al barely mention this aspect of the state in South Africa, perhaps because they consider (incorrectly) that it has been adequately explained by others, such as Trapido, Wolpe, Legassick and O'Meara, who have more clearly addressed themselves to the problem; and perhaps also because, as will be pointed out below, their conceptual framework makes it difficult for them to confront this problem directly.

First, it is important to obtain a clear idea of what precisely is meant by a state based nominally upon 'the general interest of the people/nation'. According to Poulantzas it is one of the capitalist state's distinguishing characteristics that it:

> has inscribed in its very structures a flexibility which concedes a certain guarantee to the economic interests of certain dominated classes, within the limits of the system. To the extent that this guarentee is in accordance with the hegemonic domination of the dominant classes, ie with their political constitution vis a vis this state, as representatives of the general interest of the people, this concession is part of the state's very function. The concept of the capitalist state of course involves a specific function for <u>political ideology</u>, a form of power based on 'consent', which is organised and directed in a specific manner for the domi-

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> nated classes .... The notion of the general interest of the 'people', an ideological notion covering an institutional operation of the capitalist state, expresses a real fact, namely that this state, by its very structure, gives to the economic interests of certain dominated classes certain guarantees which may even be contrary to the short-term economic interests of the dominant classes, but which are compatible with their political interests and their hegemonic domination.[6]

Of course Poulantzas is not the first to have remarked upon the tendency of the capitalist state to 'incorporate' those classes whose interests lie in direct contradiction to those of the dominant classes. Indeed one non-Marxist study of the various ways in which such states have undertaken this incorporati and the various political institutions resulting from these historically specif incorporationist structures, that made by Barrington Moore, was influential in the revival by Trapido and Legassick of Marxist studies of the South African state. What is implied by a reading of Poulantzas, and what these early Marxists in South African studies observed, was that there are not many example of capitalist states that fail to perform this incorporationist function in qui so extraordinary a manner as does the South African state.

This, it should be noted, is a problem which tends to be confused with the problem of the survival (or revival) of the pre-capitalist modes of production in the South African social formation. This confusion arises from the fact that two problems - that of the decline of pre-capitalist modes; and that of the new militancy and settled nature of the black working class - came to a head in South Africa during the 1930s and 40s; and that both were solved in a particular way after 1948. The apartheid system presented a solution to the crisis of the 1940s in this double sense and it is only once the duality of these problems and their solutions is recognised, that it will be possible to explore the relationships between the two aspects of the apartheid system - the reproduction of labour power in the reserves, on the one hand, and the exclusion of the working class from the state apparatuses on the other. While some considerable progress has been made in the first sphere, very little has been made in the second. It is to this problem that the rest of this paper now addresses itself.

The first step in such an analysis is to pinpoint the precise relationship between 'capitalism' on the one hand, and the need for 'incorporation' on the other. This relationship, I would agree, is essentially a relationship between a particular kind of capitalism, that is, national capitalism, and the fully fledged proletariat. Incorporation is not undertaken by any kind of capital - far from it. It is undertaken by capital within social formations where nationa industrial capitalism has become entrenched, (hegemonic) and where the processes of primitive accumulation and proletarianisation have been completed. The reason for this lies in the necessary path of development of national capitalism and the necessary class relationships to which it gives rise. Poulantzas has explored this necessary path in theoretical terms; while I have elsewhere attempted to show its development and its deflection in the South African case.[7]

The question for South Africa therefore becomes, not simply 'why was the black proletariat not incorporated?, but 'why, once national capital had begun to achieve a place of dominance, did it not undertake to incorporate it?'. In othe words, it is not a question of a general nature, which may be answered by

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reference to the whole course of capital's development in South Africa; but it is a very specific question indeed, related to the period in which national (as opposed to imperial) capital rose to a hegemonic position.

It is perhaps easy to see now why the theoretical inadequacies of Davies et al in relation to their discussion of hegemony prevent them from confronting this aspect of the unique South African state. For the question of non-incorporation is very clearly related to the question of hegemony. It is essential to understand the place of national capital in the South African social formation in all its complexity, before we can begin to understand its failure to incorporate. If national capital is reduced to its fractions, and worse, if there is no clear idea of the nature, the interests, the strength and the path of development, of the leading fraction, then the confusion surrounding 'hegemony' will be compounded when it comes to 'incorporation'.

In support of this it may be argued that it is not difficult to explain how the state in South Africa came to assume its exclusive and racist form in the period of imperial hegemony. Many states under imperialism took similar forms; indeed it is a frequent characteristic of imperial states that they succeed in confining their sphere of legitimacy - though of course not their sphere of repression - to the dominant mode of production. The 'colonial' state preserves the hegemony of imperial capital as a whole through an efficient repressive apparatus and limited, centralised and usually non-incorporationist, ideological state apparatuses. Imperial hegemony as a result takes on a particular (often hierarchical) ideological and structural form, too complex to be explored here.

But what <u>is</u> difficult to explain is why this characteristically 'imperial' state form in South Africa did not change fundamentally as far as the 'incorporationist' aspect of it is concerned, with the alleged change in 'hegemony' from imperial to national capital. We have already suggested, albeit briefly, how in other respects the state took on new forms. The power bloc changed; the economic interests of the dominant class changed; the political interests flowing from those economic interests changed, as did their ideological realisation. In almost all of these respects, the 'imperial' state seems to have given way, or at least begun to give way, to a more truly 'capitalist' state - for it was full-blooded 'national' capitalism that was being created at the time. And yet in the one, crucial aspect of racial exclusion the imperial state appeared to survive.

The Davies article is precluded from beginning to answer this question adequately because of its simplified view of the process of change. Its theoretical framework does not require it to acknowledge a really fundamental difference between the imperial and the capitalist states. Indeed, paradoxically, for an article which claims to be concerned with frequent and significant changes in the 'form of state', the Davies article points to no real changes in the fundamental nature and structure of the state. To the authors, it seems, a capitalist state, whether imperial or national, is a capitalist state. Once imperial capital has attained hegemony, it has created a capitalist state whose <u>basic</u> structure will remain constant, while the members of its power bloc may change places from time to time. Thus for them there is in fact nothing to explain - for the <u>lack</u> of change between the two eras may simply be accepted as an indication of the fact that

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South Africa has always had a capitalist state, and that the form it took in imperial times necessarily and unsurprisingly remained with it throughout, unless there was good reason to change it.

In this view they are reinforced by their narrow conception of hegemony, which leads them to conclude, as we have seen, that the change in hegemony from imperial to national capital took place in 1924. Since there was little evidence at that time of so-called 'national capital' wishing to change the racist character of the imperial state, it is assumed that this is because the imperial state and national capital were inherently compatible in this respect.

And finally, when they are confronted with evidence that in the 1930s and 1940s leading sections of national capital had begun to press for the incorporation of the black working class, they are able to cope by reference to their somewhat narrow concept of the 'fractional' nature of capital. Because they do not see the class nature of national capital, but merely reduce it to its fractions they are able to relegate this central and significant fact to the status of a 'fractional interest'. Manufacturing capital, of a particular sort, they acknowledge, was interested in 'liberalisation'; but its fractional interest is accorded no more significance than the interests of any of the other fractic at the time. Moreover their conceptualisation of hegemony does not permit them to acknowledge that the nationalised sectors of mining and commerce supported the 'liberal' strategy.

A wider view of these questions, based on the concept of class and hegemony outlined above, would lead far more directly to the problem. For one thing, the change in hegemony from imperial to national capital would not and could not be so clearly placed at 1924. My own work seems to indicate that in fact it was only by the mid-1930s that the national capitalist class could begin to assert itself in the powerful manner required if it was to oust imperial capital completely. Many of the inconsistencies and errors in Davies et al's work - some of which are unerringly pointed out by Clarke - would be ironed out if it was accepted that national capital struggled long and hard to achieve a place of dominance.

Further improvements upon the analysis would be made if it were recognised that national capital is not able to impose its hegemony upon the social formation the moment it achieves economic dominance. Davies et al cannot 'prove' the existence of national capitalist hegemony by reference to laws passed in the period immediately after the 1924 election. Changing an entire social formation is not as simple as that. This would explain why, although national capital's ideologists were intensely concerned to put forward an incorporationist view throughout the thirties, it was only by the 1940s that they were in a politicall strong enough position to begin to implement some of them in a very limited manner. But one thing is certain, that these proposals for liberalisation shoul be recognised for what they really were, the expression of the overall class interests of a national capitalist class, under the leadership of manufacturing, which was only just ascending to a position of hegemony. The incorporationist liberalism of the 30s, 40s and 50s was not the ideology of a small and beleaguer minority. It occupied a central place in the ideological media of English-speaking culture as a whole - indeed in every ideological state apparatus, from the universities to the press. And significantly, as would befit a hegemonic

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ideology, this liberalism also occupied a central place in state apparatuses whose functions were to incorporate or redirect grievances of the truly subordinate classes - blacks.

Thus the defeat of the liberalisation strategy cannot be attributed simply to the alleged weakness of the single manufacturing fraction. (What evidence is there, incidentally, of the 'weakness' of a sector which was by now of substantial size and significance.) It must be explained, surely, in terms of some peculiarity in the mode of development of the incorporationist interest in South African industrialism, and in the nature of the desired hegemony, of the national capitalist class as a whole.

No analysis has yet, it seems, undertaken such an explanation. But there are some possible avenues for further exploration that arise partly out of my own work on capitalist interests in South Africa, and partly out of Davies et al's own analysis.

The first possibility is that national capital was, because of its great need to appease the white working class, able to deflect its incorporationist need in relation to the black working class. Incorporationism is usually substantially (although not entirely) based upon the need for expanding and co-operative markets. Since white workers were in a position to demand significantly higher wages anyway, it seems that national capital was in a position to channel much of its need for markets into the white sector at first, and was thus able to continue with the established system of mining ultra-exploitation. The complexities of this argument are substantial and will not be pursued here.[8]

The second possibility is that as late as 1948, national capital had not, in fact, actually achieved full hegemony yet, in the broadest sense of the term. This is supported by the fact that although in many respects industrialisation had been launched in South Africa, the imperial state had not yet been fully dismantled, the incorporationist strategy had not yet been implemented, and the problem of the reproduction of the labour force under national capital had not yet been fully solved. This would explain imperial capital's continuing power to resist incorporationism, without reducing the events of the forties to a conflict between 'fractions'.

The third possibility, which would reinforce this, is that the 1948 change in government, while it did not represent a proper challenge to this national capitalist class on all levels, did represent a challenge to the existing combination of capitals by one fraction - nascent Afrikaner capital. As has been argued in several papers, Afrikaner capital was not in a strong enough position to join the rest of national capital on equal terms - it still had problems of accumulation to overcome; it certainly could not afford an incorporationist strategy yet. And because national capital had not yet achieved full hegemony this backward Afrikaner sector could exploit the weakness of the 'transitional' system. It thus <u>arrested</u> the progress of national capital, but on the other hand, it could not and did not reverse it, for in spite of its in-between stage, national capital was strong and not weak.

This would explain something which most have attempted to explain in terms of the lack of conflict between Afrikaner nationalism and English capitalism - the failure of the Nationalist government to challenge English capital sub-

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stantially during the 1950s, and the similarities between the Fagan and Sauer proposals for the black working class. It would also explain something which is sometimes left unexplained - the differences between these two sets of proposals; the ongoing opposition, by English capital to the Nationalist failu to incorporate the black working class; and the much-debated claim by ideologi of this class of capital that time would eventually erode the irrational structure of apartheid. All things being equal, they were quite right - time might well have eroded Afrikaner capital's need for harsh accumulation provisions, just as it did in the case of earlier capitals. The vision the ideologists of the 'conventional wisdom' were putting forward was one of Afrikaner capital eventually 'catching up', and of the national capitalist cla as a whole at last being able to assert its full hegemony, incorporation included.

However, time did not erode this need because of the fourth possible factor - one which is mentioned by Davies et al and which seems to be the one element, according to Clarke, on which all Marxist Southern Africanists seem to agree- the rise of monopoly capital in South Africa in the 1960s. It seems possible, although this is a claim which would have to be substantiated empirically, that with the success of Afrikaner capital accumulation the division between Afrikar and English national capital indeed dissolved. But instead of giving way to united national capital, it gave way in the 1960s to the reconstitution of the capitalist class into monopoly and competitive sectors. Of these it seems to have been the monopoly sector that has gained a place of dominance (or in Davie et al's narrow use of the term, hegemony). Now monopoly capital, if it has a necessary interest in the incorporation of the working class at all, seems to need an entirely different type of incorporation from that of national, competitive capital. Indeed, imperial mining capital was monopoly capital, and its lack of interest in incorporation has clearly been shown. It is thus possible that it was the rise of monopoly capital to a place of dominance that finally did reverse national capital's arrested move towards incorporation, and that finally permitted the previously somewhat unreal policy of apartheid, to be implemented, in a modified form, in reality.

These tentative suggestions would need to be explored empirically, on the basis of the wider concepts outlined above. Such an analysis would need to be undertaken in terms of economic, political and ideological factors, along much the same lines as the analysis of the earlier phase of capital's development in South Africa. It would need to be aware that elections, including the 1948 one, do not necessarily mean changes in hegemony, and that if and when such changes take place, they are bound to be slow, complex and multifaceted. It needs to bear in mind the differences between Afrikaner and English industrial capital, as well as all the other divisions within capital already mentioned, and it needs to recognise the inadequacies and limited usefulness of the concept of 'fraction'. It would need to be aware that if 'monopoly capital', whatever that may mean in precise terms, is truly rising to a place of 'hegemony' (in the wide sense) in the South African social formation, this would represent a far-reachin and very fundamental change - indeed it would constitute a new, massive problem for those attempting to analyse hegemony, the form of state, and the class structure in South Africa. It would not be a change that could be lightly treat simply through a consideration of 'fractions of capital'.

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To conclude, it should perhaps be re-stated that the major flaw in the Davies piece lies precisely in its over-use and under-definition of the concept 'fraction'. But it is not that capital should not be seen in all its divided and conflicting parts - it is essential to any Marxist political analysis that wishes to avoid crude economic determinism that classes be seen in all their complexity. But to reduce classes to their fractions is to close off some of the most significant areas of investigation. It,too, leads to economism, of a different sort. Ultimately, it devalues the Marxist conceptualisation of politics.

Notes

1. Robert Davies, David Kaplan, Mike Morris and Dan O'Meara: 'Class Struggle and the Periodisation of the State in South Africa', Review of African Political Economy, 7, September-December 1976.

2. Simon Clarke, "Capital, 'Fractions' of Capital and the State: 'Neo-Marxist' analyses of the South African State", Mimeo, 1977.

3. *Davies et al, p. 9*

4. Nicos Poulantzas: Political Power and Social Classes, pp.

5. I have undertaken this type of analysis at length elsewhere. See B. Bozzoli, The Roots of Hegemony: Ideologies, Interests and the Legitimation of South African Capitalism, 1890 - 1940, University of Sussex, DPhil 1976. For a detailed analysis of the role of the intellectual in the transformation of economic into political interests, see also B. Bozzoli, 'The Origins of Local Manufacturing in South Africa', Journal of Southern African Studies 1, 2, 1975.

6. Poulantzas, p.

7. See Bozzoli, Roots of Hegemony, particularly Chapters 3 - 6.

8. Ibid. Chapter 5.