

# Racial capitalism

## Understanding South Africa before, during and after apartheid

By Jeff Rudin

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*The term “racial capitalism” has its roots in South Africa’s race-class debates, as articulated by Marxist revisionists and historians in the 1970s, and offers a widely accepted basis for understanding the emergence of apartheid capitalism (see Sam Ashman’s article on “Racial capitalism and South Africa’s changing race-class articulations” in New Agenda 84, 2022). But does it provide an analytical framework for post-apartheid South Africa? JEFF RUDIN argues that, while racial capitalism provides important insights into some of the dynamics of post-apartheid South Africa, it is racial capitalism standing on its head.*

**A**ll capitalists everywhere face the same major conundrum: To maximise their profits, they are compelled to pay both the cheapest possible wages and maximise the reduction of all other

costs of labour. Yet, the workers they must exploit are also people. With rare individual exceptions, we all come to have empathy as part of the defining characteristics of our species. Empathy means we spontaneously see ourselves – our feelings, fears, needs and dreams – in everyone else. Empathy lies behind our morals and ethical systems, no matter what they might be.

Despite all the current talk of diversity, we all have similar ideas of fairness, of justice, of how we expect others to treat us. Moreover, again allowing for a few individual exceptions, we accordingly all have the same need to think well of ourselves. A shared, universal humanity lies behind this empathy, notwithstanding all the different forms it takes.

Not surprisingly, therefore, there is a common solution to this conundrum of the exploited also being people: deny their humanity. This is where diversity truly blossoms. This denial takes innumerable forms. A different language or even accent; religion – with all its different gods and in all its different denominations; country – even region or province of the same country; gender; sexual orientation; football team ... the list is endless. Race tops the list in South Africa. The fact that race is a biological nonsense makes not the slightest difference. Most of the people who readily accept that race is a social construction as readily forget this reality

in their actual behaviour.

White Supremacy in South Africa was made easy for most of the supremacists until the late 1970s and early 1980s. They eagerly held on to the belief that they were superior, either by the good fortune of their race or the grace of their gods. Long before this period, however, colour-coding was so ingrained in everything they did, experienced and saw everywhere that the economic origins of the need to deny humanity to anyone not White had either been forgotten or never even understood: Being White gave them natural majesty over everyone. It was not only their own identity, but one affirmed by the Other, in the classical master-slave symbiosis of Hegel.

The horrifying power of White Supremacy rested in the complete reciprocity between the exploitation and the rationalisations, a harmony that made dehumanisation of Africans an untroubled part of Whiteness and the ensemble of privileges it guaranteed.

This is the organic unity between class and race arising from, in Marx’s words, how “unpaid surplus-labour is pumped out of direct producers” (Capital, Vol. III); a unity that is so perfectly captured by racial capitalism. The question is whether it still applies to today’s South Africa? Where might Marx’s recognition of the “infinite variations and gradations in appearance, which can be ascertained >>

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only by analysis of the empirically given circumstances” lead?

### ***The colour confusions of the new South Africa***

Racialised poverty and wealth is an analysis of post-1994 South Africa that unites most academics and commentators across the spectrum, both domestically and internationally. Official statistics are invoked to prove poverty’s Black face. Official statistics are also said to prove that apartheid still lives with the unchanged White face of wealth and occupational privilege.

It is a commonplace for the reality of these glaring inequalities to be offered as proof of the unbroken continuation of “race” determining who one is, even in post-apartheid South Africa. The only problem here is the absence of any analysis demonstrating that South Africa’s inequality is still racialised to any significant extent. Inequality per se is not automatically proof of racism.

What moves race from being a social construction to a material force that cannot be ignored? Whatever it is or however it is mediated, it must materially and substantially shape the lives of everyone deemed to be part of that particular social construction. This most definitely was the case prior to 1994. But what of now, of South Africa in 2022? The evidence need not be to the gold



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standard of the old South Africa, but it must at least go beyond just asserting the exiting of institutionalised racism.

An analysis based on White racism must, in the first instance, account for African poverty that goes substantially beyond the mere and undoubted fact of racism among some White people. I say “some” because it is only impressions, speculations and anecdotes that have flooded the space left empty by the absence of scientific research on the matter. More particularly, what would be required is a racialised explanation of how African poverty, bequeathed in 1994 by apartheid, has survived intact for 27 years under an African-controlled Parliament, an African-controlled government, and an African-controlled civil service. Moreover, it would have to take into account that it would be a survival within a legal system that has repealed all apartheid legislation and introduced a swath of statutes outlawing all forms of discrimination, except those explicitly designed to privilege Black South Africans.

Until this happens, there is a simple answer to the ensuing inequality, in the form of both poverty and wealth.

Sociology, for all its limitations, makes clear how class societies everywhere and for all time naturally reproduce themselves. The children of privileged parents are made privileged just by virtue of the accident of their birth in exactly the same way as the children of poor parents are unavoidably impoverished by virtue of the accident of their birth. Equal opportunity is a modern myth invented by the rich to legitimate their richness and good fortune. The enduring privileges of most White South Africans is little more than a guaranteed outcome of the normal reproductions of class in the same way that inequality reproduced everywhere by capitalism gives poverty its specifically Black face in South Africa.

Yet, few South Africans are aware of these basic realities of Sociology 101. Racialised thinking, which is dominant in today’s South Africa, gives further credence to the racialised appearances of inequality contained in official statistics. There was, however, a short period in the 1990s when race lost its normalised hegemony.

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***The return of ‘race’ in post-apartheid South Africa***

For most people worldwide, including South Africa, it is taken for granted that race has always been hegemonic in South Africa. Just suggesting that, initially, this was not the case in post-1994 South Africa is therefore a measure of how quickly the short history of the “new” South Africa has been forgotten.

South Africans of all “races” are now entirely comfortable with what were once the reviled apartheid categories: the inventions of African, Coloured, Indian and White, which ubiquitously populate all statistics having anything to do with demography, employment and equality. Report a car accident to the police and your apartheid-created race will become part of official statistics.

Yet, in the few years before 1994, the largest trade union federation, the Congress of South African Trade Unions (Cosatu) and its affiliated unions challenged the use of these apartheid categories. Although legally required to provide labour statistics in which all employees were listed according to these apartheid categories, Cosatu refused to comply. Saying that there was only one working class, Cosatu refused

to provide this racist and divisive information.

South Africans have, additionally, quickly managed to forget the disquiet that initially made even the very word “race” too painful to use. “Demography” was among the most popular of the euphemisms. Similarly, non-racialism – a founding principle of South Africa’s Constitution – was soon relegated to being only “aspirational”. “Race” had to be reconstructed, albeit on well-prepared soil. Thabo Mbeki, our second president, was the principal architect. This role was unexpectedly forced on him by his objective of creating what he called the “Black bourgeoisie”. Although he attempted to disown his one-time membership of the Central Committee of the South African Communist Party, he was comfortable using the term “bourgeoisie”.<sup>1</sup>

Along with the freedom given for the first time to all South Africans in 1994, came the entirely new political power now exercised by African leaders who were acutely aware of having no commensurate economic power. The would-be capitalists of the new, non-racial South Africa faced the dilemma of how to become capitalists without capital. Using their political power, affirmative action, preferential state procurement and (so-called) Black Economic Empowerment (BEE) were soon enshrined in law. Corruption is the illegal bedfellow. Wealth began flowing into African hands, whether legally or not.

But there was an unexpected obstacle: how to reconcile this new wealth with their former revolutionary commitments to the Black majority who remained locked in their poverty.

Mbeki addressed this problem in 1999, when speaking about Black guilt. The wealth of the new Black elite created Black inequalities disquietingly reminiscent of the (still fresh in mind) racialised apartheid inequalities. This, he said:

“frightens and embarrasses

all those of us who are Black and might be part of the new rich. Accordingly, we walk as far and as fast as we can from the notion that the struggle against racism in our country must include the objective of creating a Black bourgeoisie”.

Mbeki hastened to reassure his audience that these fears were unfounded. “We ... [must] abandon our embarrassment about the possibility of the emergence of successful and therefore prosperous Black owners”. Saying that “the deracialisation of ... ownership” created the non-racial society prescribed by the Constitution and, moreover, that Black wealth was integral to the ANC’s “central task” of “the defeat and elimination of racism”, however, failed to strike the intended chord.<sup>2</sup> Championing race, to achieve non-racialism, didn’t resonate sufficiently well.

Five years later, in November 2004, a leading member of the government and ANC, Smuts Ngonyama, tried a less tortured approach. Defending his involvement in a questionable BEE deal, he spoke plainly: “I didn’t join the struggle to be poor.”<sup>3</sup>

Unfortunately for him (and all the others), telling the truth merely made his words notorious. Acknowledging class self-interests was clearly not the way to go.

Mbeki’s Black bourgeoisie had to wait until 2016 before “race”, not class or non-racialism, again became a sure winner. Welcome to the battle cry of Black nationalists and supposedly left-wing alternatives to the Ramaphosa ANC: White Monopoly Capital (WMC) – Note: not capitalism but just the colour of the capital.<sup>4</sup>

Changing conditions made the racialised appeal immediate. It fed directly into the requirement for growing Blackness to have its competing identity, the necessary Other. With “race always being a relational construct” (Posel, ➤

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2010) the meaning of Blackness both implies and depends on Whiteness (both capitalised here as elsewhere in this essay to denote their politically infused identities). Whiteness made redundant the need to explain the decidedly obscure term, WMC. Whiteness alone suffices to turn it into Enemy Number One; into White Supremacy; into the need for decolonisation. At a stroke, Whiteness meets all that is required of an instantly recognised and powerfully evocative Other.

Using race to promote the class interests of the Black bourgeoisie necessitates the perpetuation of the perception of racial injustice personified in Whiteness. The speed with which the word White has become a trigger, a bogey-man noun, a swear word, a word infused with menace, fear, envy, anger, has been little short of amazing. A small incident at a December 2021 conference organised by the organisation where I work captures this complex of meanings. The conference – on a range of contemporary issues, both local and global – brought together trade unions, progressive social movements and NGOs and individuals prominent in the anti-racist struggle. Participants had been given different colours



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to determine which commissions they would be in. To accommodate latecomers, a new colour had to be added: White. The announcement produced embarrassed laughter and jeers, along with an apology from the hapless person making the announcement.

**Racial capitalism turned on its head**

The success of President Mbeki’s policy of creating a Black bourgeoisie is not in doubt. Two points nonetheless merit mention. First, the majority of South Africa’s middle class is now African, with a large number being amongst the richest 10% of the population. Second, the fact of enormous wealth amongst some Africans makes intra-African inequality considerably greater than for any other group and is a significant factor in making South Africa amongst the most unequal societies in the world.<sup>5</sup> These facts are not widely spoken about.

Indeed, almost the only time mention of Black wealth and occupational success is guaranteed is when it is contrasted with White wealth

and dominance of top private sector jobs. This is, to be sure, when the Black bourgeoisie invert the racism they keep alive. In this new racial capitalism, it is the erstwhile victims of racism who use the race card to attack the former beneficiaries of apartheid. Both the continuation of White wealth and Black poverty are then said to be caused by the Other, by the prevalence of Whiteness.

This inversion of racial capitalism is where the apartheid categories play such an essential role. Statistics about a generic Black face are not what is needed by the specifically African bourgeoisie. Most Africans have long insisted on a hierarchy of oppression. The hierarchy has never been developed beyond the fact of Africans being the most exploited since the first arrival in Cape Town of the Dutch in 1652. Still awaiting a proper analysis is why everyone else agrees with them. This agreement is reflected in the long history of the idea of oppression having been experienced by “Blacks in general, Africans in particular”. The South African Communist Party (SACP) accepts this as does Cosatu and its left-wing breakaway rival, the South African Federation of

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Trade Unions (Saftu).

African poverty in the ubiquitous racialisation of everything in today's South Africa is shamelessly used by the African bourgeoisie to prove either the continued existence of White Supremacy or the failure of 'transformation'. The African bourgeoisie – the various African beneficiaries of capitalism – cynically use capitalist-created poverty to promote their own capitalist-created wealth and privileges. Poverty's guaranteed African face thus puts White wealth permanently on the defensive. This will remain so until White wealth and other privileges shrink to the same ever-shrinking proportion of the population deemed to be White. It currently stands at 9.2%, from a high of 21%.

The short time during which the apartheid racial categories were not acceptable created a problem for the

African bourgeoisie. The Employment Equity Act of 1998 refers to the separate categories African, Indian and Coloured only once and that is to reject them. The term deliberately used in the Act is "Black", defined as including all people apartheid defined as African, Coloured and Indian. Heated exchanges on the subject of retaining the apartheid categories took place during the parliamentary passage of the Employment Equity Bill. A number of political parties, including a number of MPs from the ANC itself, wanted to retain them and the hierarchy of victimhood they represented. The ANC, however, stood firm in its commitment to non-racialism and its principled rejection of the apartheid categories. I was the ANC's parliamentary researcher attached to the parliamentary committee that considered the Bill in all its detail and was witness to much of the discussion, particularly within the ANC.

The Employment Equity Act has been amended several times since 1998. Its latest amendments were approved only a few months ago. However, the definition of Black people remains exactly as it was in 1998. This is to say, there is still no statutory basis for using the apartheid categories. Self-interested pragmatism has been allowed to rule. Why draw attention to the unbroken use in all official statistics of the very apartheid categories rejected by Parliament? Why draw attention to the government's 21-year failure to enforce the Act passed by Parliament? Why draw attention to Parliament's 21-year failure to enforce its own Act? The government as well as MPs, being overwhelmingly African, are the main beneficiaries of the apartheid categories that have no basis in law. But the contemporary form of racial capitalism couldn't exist without these apartheid relics.<sup>6</sup>

So, racial capitalism does continue to play an important role in South Africa's political economy, albeit one now inverted from the original. There

are now considerably more poor South Africans than ever before. That they remain Black is but a convenient opportunity for the Black rich to cry racism, as the battle cry of their own self-enrichment.

That they should do so is hardly surprising. What is surprising is that we, the Left, allow them to get away with it. Worse still is that those of us who endorse historical materialism popularise the now ahistorical term "racial capitalism", denoting exclusive White wealth at the expense of Black poverty.

#### REFERENCE

Posel, D. 2010. Races to consume: revisiting South Africa's history of race consumption and the struggle for freedom, *Ethnic and Racial Studies*, 33(2), 157-75.

#### ENDNOTES

1. He was similarly comfortable using a Marxian critique against the 'get rich' obsessions of the same Black bourgeoisie. See Jeff Rudin, "South Africa: the upside-down world of racial capitalism". Available at <https://www.dailymaverick.co.za/article/2020-09-02-south-africa-the-upside-down-world-of-racial-capitalism-and-Black-lives-matter-part-2/>
2. All citations are from <https://www.sahistory.org.za/archive/speech-annual-national-conference-Black-management-forum-kempton-park-november-20-1999>
3. Ngonyama has never repudiated the quote even though it is not known where it was first reported. For more context see <https://livemag.co.za/ancs-five-outrageous-quotes/>
4. For more context see <https://www.dailymaverick.co.za/opinionista/2018-01-11-whats-in-a-name-White-monopoly-capital/>
5. The supporting literature is voluminous. Giving references is superfluous, as none of these claims are contentious.
6. For more detail see, amongst others, Jeff Rudin, "The ANC government conveniently ignores the law when it comes to race classification and equity". Available at <https://www.dailymaverick.co.za/opinionista/2019-09-03-the-anc-government-conveniently-ignores-the-law-when-it-comes-to-race-classification-and-equity/>; Jeff Rudin, "Apartheid Lives: Why we still use that era's 'racial' categories". Available at <https://mg.co.za/opinion/2021-03-12-the-poor-are-still-mostly-Black-but-capitalism-remains-the-determiner/>. For further historical context, see "Race reinvented for post-apartheid South Africa". Available at <https://mg.co.za/article/2016-04-06-race-reinvented-for-post-apartheid-sa/> **NA**