

The Theory of Systemic Patronage and State Capture

The Liberal Democratic Project and its Regime Contenders

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ABSTRACT

This article reviews the theoretical question pertaining to state-societal relations in developing political economies, with reference to South Africa. Three theoretical dispositions are critically evaluated for its explanatory reach, and the suggestion is made that these theories represent contending regime preferences operative on the interface between state, society and the economy. The compromise between two of the three regimes – liberalism and systemic patronage–originated in the need for a stable constitutional compromise between political elites in the aftermath of apartheid. The third regime preference, which manifests in a ‘captured state’- regime evolved as a consequence of inconsistencies and contradictions within the compromise between liberalism and systemic patronage. Whereas the first two regime preferences are embedded in sufficient levels of legitimacy, the latter is tolerated by the actors and constituents of systemic patronage, but actively opposed by liberal actors within the political economy. Theoretically, a clear distinction is made between the conceptual confines and operational features of the patrimonial state and the architecture of a political economy in which varying regime preferences either compete for control of the (re)distributive means of the state or coexist in an uneasy quest for political stability.

Keywords: *Liberalism, systemic patronage, patrimonial states, captured state, political patronage*



INTRODUCTION

The notion of a “captured state” has become embedded in the popular and media rhetoric of South Africa. It does not define party-political contestation, but the operational architecture of the phenomenon has permeated the liberationist regime, leaving the governing African National Congress (ANC) reeling in retreat as the consensus within the party is disrupted by political elites straying beyond the post-apartheid compromise between liberalism and systemic patronage. The term state capture is often used in general reference to corrupt relations between bureaucratic/political actors and interests within the economy (private sector) (Hellman *et al.* 2005 and Grzymala-Busse 2008:638), but such a definition fails to interrogate the social relations underlying the phenomenon.

For the rationale of this article, a distinction is made between patrimonial states and the captured state. The former manifests as a disruption in relations within the legitimate system of political patronage, whereas the latter is in reference to the state being penetrated by opportunistic interests beyond the liberationist regime, and which are relations functional at the expense of statutorily defined patron-client relations (*cf.* Lodge 2014:22).

THE THEORY OF CONTENDING REGIMES

Pitcher, Moran and Johnston (2009:45) turn conventional theories and scholarly assumptions about patrimonial states on its head and argue that “... contemporary conceptions of patrimonialism and neopatrimonialism as negative regime types associated with corruption, clientelism, and autocracy are based on a fundamental misreading of [Weberian] theory”. The (research) question, which Pitcher, Moran and Johnston seeks to revisit, is whether variants of patrimonialism could be ‘blamed’ for poor governance in Africa. They, of course, then make a theoretical mistake by including clientelism (systemic patronage) as an operational feature of poor governance, but they, furthermore also seem to romanticise patriarchy (*cf.* Schorske 1998:7), which essentially is the imposition of an archaic form of authority on modernising systems. Adams (2009:44) argues provocatively that Weber “... is as guilty as any other social theorist of joining, or rather leading, the parade of grand dichotomies”. She makes the argument in reference to the “... vexed contrast between ‘traditional’ and modern ‘rational-legal’ types of legitimate domination”. But, the logic applied to this discourse is the same.

The distinction between the patriarchy of feudal systems and patrimonialism of modernising societies, is that the latter theorise the connective tissue between the public and the private sectors. The most fundamental disjunction (if juxtaposed with liberal

democratic systems) is that it excludes the “greater good” as represented by the middle class, the working class and the voiceless unemployed. The oligarchic tendencies of state capture (binding political elites to strongmen in the formal economy), differentiates it operationally from patrimonialism (*cf.* Kreps 1990:89).

Central to their analysis is the notion of ‘legitimate power’. Legitimate power relies heavily on consent, which is not the same as consensus, as it could be sourced under conditions of authoritarianism (Adams 2009:43). Legitimacy is thus equated with democracy, which is a fallacious assumption. The largely patrimonial authoritarianism of African states might well induce sufficient social stability and might even enjoy high level of institutional legitimacy, but it certainly is not democracy. Democracy, even in its diversity of conceptual and operational demarcations, has very specific historical roots, is defined by social relations of a specific kind, and is reliant on an institutional architecture which limits the exposition of authority.

However, liberal democratic systems exist comfortably with other, contending regime preferences for reasons of social order, political stability and economic development. An important point made by Pitcher, Moran and Johnston (2009:45) in reference to the conditions which precedes a “legal-bureaucratic” institutionalisation of constitutional governance, is that, “ ... the country’s elites have not abandoned patrimonialism or overcome it. They have instead built a democratic state on a foundation of traditional and highly personalized loyalties”. The idea that democracy was founded upon the relational tissue of patrimonial authority, could be contested, but what is obvious is that the two systems of authority co-exist with some inconvenience.

REFERENCE TO SOUTH AFRICA

In popular parlance, and the media, the opportunistic or corrupt relations which compromised the distributive regime of the state, were conceived in a “mutually beneficial” relationship between former president Jacob Zuma and the Gupta-family in South Africa. But, the captured state, including individuals and institutions, have a long scholarly history, and might well have clearly traceable features in the political history of the liberationist narrative, and subsequently in the democratic dispensation. Journalists Ralph Matekga (2016), Adriaan Basson and Pieter du Toit (2017), and Jacques Pauw (2017) have all written elaborate texts on the “captured presidency” Jacob Zuma. In most of these books, state capture is primarily defined as form of political and economic corruption. However, from a theoretical perspective, state capture is a defined means of social order and control—a regime preference.



Lodge (2014:26) argues convincingly that such “opportunistic relations” are historical and replicates the operative dynamics of the African National Congress (ANC), throughout its struggle for liberation. What is interesting about Lodge’s operationalisation of the “captured” phenomenon is that it, as he suggests, is also conceived in the types of pressures emanating from electoral politics (a feature predominant to liberal democratic systems). Lodge (2014:27) suggests that the ANC’s “historical ties to criminal networks and pressures arising from the transition to majority rule and contemporary electoral politics” provides for the institutionalisation of personalised authority, in what he describes as “neo-patrimonial regimes” such as the ANC, and by extrapolation South Africa. In terms of this interpretation, the state—or institutions within the state or institutions operative in service of the state—are being used to serve not only the opportunistic or corrupt interests of a particular family, but also that of individuals—or social aggregates—within the realm of beneficiation of that family.

Moeletsi Mbeki’s (2005:55) argument, in this regard, is in similar vein: “[The] average per capita income in Africa is now lower than in the 1960s. This is largely because the private sector has been constrained from driving economic development by unproductive political elites”. The “unproductive elites” Mbeki is referring to are those patrons “entrapped” in a system of reciprocal exchange who extract the resources required to maintain systemic patronage from the formal economy, but they do not control the process of production (Also see Beresford 2009). Often for ideological reasons, the elites within the systemic patronage regime not only experience a degree of alienation from the process of production, they also act with measurable hostility towards the market processes which generate the surpluses from which they are dependent for purposes of redistributive justice (*cf.* Bogaards 2004:69). The compromise between the liberal democratic elites and those within the system of patronage oscillate between hostility and acceptance of the market economy as a “necessary evil”. Similar to Beresford (2009) and Kreps (1990) Mbeki concludes that the private economy is largely owned by economic elites who are excluded from the political sphere.

THE VARYING RELATIONS TISSUE OF REGIME PREFERENCES

Corrupt relations should, however, be distinguished from the institutionalised architecture of ‘captured relations’ (*cf.* Gunther and Diamond 2004:169). Captured relations assume a relational tissue embedded in observable practices which may or may not be sanctioned by a regime preference dictated by dominant role players and their constituents (*cf.* Bogaards 2004). Captured relations should also be distinguished from

systemic patronage, which in the context of South African political design, is justified by concepts such as cadre deployment, black economic empowerment and affirmative action. Systemic patronage is sanctioned by the *Constitution of the Republic of South Africa*, 1996 and codified as a narrative of restorative justice. The operative dynamics is preferential access to the distributive regime of the state with the purpose of remedying the statutory injustices of a previous regime.

Systemic patronage presupposes two contending regime preferences with the one reliant on moral justifications and the other on functional or liberal democratic justifications. Moral justifications suppose justice to precede (economic) growth and liberal democratic justifications posit the theorem of distribution through growth. Both “moral justifications” and the “liberal democratic” disposition reflect a (historical) ideological chronicle which stigmatises the sociological derivations of the other (see Pitcher, Moran and Johnston 2009:45–58). The two dominant regime preferences within the South African political discourse thus display a seemingly insurmountable mutually exclusive conceptual and operational hostility, which manifests in a racial, socio-economic and class divide at the heart of political and economic contestation. Mbeki (2005:56) reflects on the post liberationist elites, arguing that they “... obstruct industry and divert profits for elite consumption, affecting industrial growth”. The hostility between liberalism and the patronage system might well have stifled economic and political development alike, explain the fact that sub-Saharan Africa after decades of independence remains in a cycle of underdevelopment. Mbeki, state correctly that “Sub-Saharan Africa has de-industrialized since 1970”.

The differentiation of political, economic and social contestation in South Africa as reflecting a dichotomous, but mutually exclusive “imbalance” of forces could well be controversial as it marginalises a plethora of dominant social forces, regime preferences and contending narratives operative within the realm of state-societal relations, but liberalism and systemic patronage could well be the most institutionalised explanatory variables in the relationship between state, society and the economy (*cf.* Lodge 2014:22 and Pitcher, Moran and Johnston 2009:45–58).

Systemic patronage replicates a plethora of reciprocal and mutually beneficial relations of mutual dependency between patrons and clients; with clients serving as patrons to recipients of another layer of beneficiaries within the policy domain of the state. Systemic patronage, however, is not exclusionary and new clients may enter the relationship, depending on the benefits such clients may offer in terms of from electoral support to status and wealth. Systemic patronage is functional within the moral justification of “the politics of the belly” and does not fall within the operational realm of corruption. Corruption is



the consequence of uneven, relationships of authority outside the statutory design of redress. A whole range of constitutional or statutory institutions such as the Hawks (South Africa's Directorate for Priority Crime Investigation), Independent Police Investigative Directorate (IPID), the Public Protector (PP), and even the public accounts committees (Scopa) of the various legislatures focus primarily on the investigation, prevention or prosecution of corrupt practices. Systemic patronage not only has moral justification it also has a statutory, legislated anatomy of reciprocal social relations not disrupted by the intervention of corrupt practices.

From a liberal democratic perspective, the distinction between systemic patronage and corruption may well be that the former precedes the latter in time and that it not only provides for, but justifies opportunistic relations which inevitably will be detrimental to the distribution of the greater good. Preferential access is juxtaposed with the efficacy of a meritocracy which it is postulated to reward entrepreneurship and good citizenship. The key variable for the proponents of liberalism is (economic) growth, and the distribution of the benefits of efficiency via a productive economy to an educated citizenship (*cf.* Bogaards 2004). In unequal or post-conflict societies, liberalism presents challenges to the legitimacy of the state, and it corrodes the trust between the historical adversaries, which impacts upon the social contract (compromise).

The conceptualisation of patrimonialism is a highly contested scholarly exercise, perhaps so due to complexity of case-studies from which the theory is extrapolated. Quimpo (2005) emphasises the personalisation of state resources, which underplays the role of actors within the private sector and their efforts to monopolise spheres and function within the formal economy. Quimpo (2005) emphasises that patrimonial systems allow economic power and political power to become operationally undifferentiated. It does make the point of the relational tissue between the political elite and the economic elite rather pertinent, but such a definition fails to explain the phenomenon as an operative regime preference which could exist alongside a statutory regime.

The South African Constitution formally codified a compromise between liberalism and systemic patronage. Patronage burdens the state's extractive capacities as it requires relatively high levels of economic growth as well as extensive (morally justified) distributive practices through a complexity of patron-client relationships. Economic empowerment, affirmative action and cadre deployment raise the cost of political and economic relationships, but it is credited as instilling social stability in unequal societies and relief under conditions of scarcity. It might well have been impossible to persuade the representatives of the liberation movement into a compromise with the liberal tenets of democratic governance, had the moral rationalisations of systemic patronage not been

considered propitiously by representatives of the apartheid economy during the negotiation of a new democratic dispensation between 1990 and 1996—when the final draft of the South African Constitution was accepted by Constitutional Assembly. Systemic patronage increases legitimacy and instil trust in political compromises (*cf.* Pitcher, Moran and Johnston 2009:45–58).

The real question is, at what stage of the policy process do external actors enter the equation of the complex and layered relationships between state, the economy and society? Whereas systemic patronage stabilises social, political and economic relations, there are very specific reasons why the relations, which lead to the capturing of individuals or institutions of the state, culminate in social instability, the erosion of political trust and inhibited economic growth. Perhaps the most important attribute of state capturing is that it depletes a resource fundamental to democracy and good governance, which is legitimacy. Legitimacy and trust serve as the connective tissue between state and society, and when the operational manifestation of those concepts is infringed upon the institutional behaviour of capital becomes unpredictable with consequences for the flow of capital and economic growth.

The operational distinction between relations within the captured state and those “legal bureaucratic” (*cf.* Erdmann and Engel 2007:105) arrangements of systemic patronage is that the (opportunistic) economic actors in the private economy, enters the equation from the outside—in this case outside implies from beyond the liberationist paradigm—while even the corrupt patrons are operative from within the moral economy of systemic patronage. The legitimacy of the claims to preferential access made by opportunistic economic actors—to being ‘insiders’—is contested by both the systemic clientele and the natural contenders of the agents of state capturing within the private sphere of the economy.

Erdmann and Engel (2007:161) as well as Lodge (2014) seem to conform to the theorem that the South African political economy is defined by two contending, co-existing or even merged regimes of social control: “a mixture of two coexisting, partly interwoven, types of domination: namely patrimonial and legal bureaucratic domination”. Whereas they may well recognise the presence of a market-driven policy regime, they do not distinguish between patrimonialism and the forces which drive the state capturing architecture of the post-apartheid regime. Contradicting Pitcher, Moran and Johnston (2009), Lodge (2014:77), postulates that; “In Africa, neo-patrimonial politics is often a residue of authoritarian politics, both colonial and post-colonial, with the result that many of today’s ostensible democracies are in fact transitional hybrids, ‘neo-patrimonial multi-party systems’”. Generally, such an assumption is all too often true in the context of politics



in the developing political economies of Africa, but the South African experiment with liberal democratic regime-theory can hardly be described as “authoritarian”.

The administration of both former president Thabo Mbeki and that of former president Jacob Zuma, certainly had features of “personalized rule”, but it remains a question whether the measurable variables of their behavior will register more significant than that of leadership in most established democracies. Lodge’s (2014:77) reference to the state in South Africa as neo-patrimonial is based on the postulation that, “Neo-patrimonial indicators include the acquisition of business interests by leading politicians and their families, most notably the proliferation of the presidential family’s business concerns since Jacob Zuma’s accession to the presidency”. It seems the added dimension to the equation for Lodge is the extension of the former president’s family interests into the formal (or informal) economy.

The active ingredient is thus the initiative of the former president to extend his influence beyond the state. The dynamics of the contaminated relations which gave rise to the captured state, might well be more complicated. While the political elite (in this case the former South African president) is not a passive actor in the complicated relational networks between the (captured) state and the formal economy, the master patron (in this case the former president) is, rather ironically, the dependent variable in the equation. The political elite provides the economic elite preferential access to the resources of the state, which could otherwise not be accessed other than through direct theft, who in turn return a portion of the revenue accessed through a consolidated monopoly in the formal economy to the political elite (master patron). The ideological variation between clients within systemic patronage and that of economic strongmen, is obvious. Clients have their interests served by an interventionist state, whereas economic strongmen have their interests served by a regulatory state.

PATRIMONIALISM AS CONTENDING REGIME PREFERENCE

What is indisputable, though, is that patrimonialism—or neo-patrimonialism—indeed does exist simultaneously with other regime preferences within a singular constitutional domain, determining both the distributive and extractive behavior of the political elites. The patrimonial elite, the master patrons within system patronage, as well as the (liberal democratic) economic elite often coexist, in an uneasy equilibrium, for prolonged periods. The complicating variable seems to be the levels of economic growth sustained under such conditions of uncertainty. The uncertainty emanates from the fluctuations in

the levels of trust – between the dominant regime, as well as the decline in social capital binding the political elite to society – but is also due to the pressures brought about by institutional weakness and the scarcity of capital.

The operationalisation of African and South African politics as a “hybrid” (Pitcher, Moran and Johnston 2009:145) in which two or more – even numerous – political regimes can exist, is an age-old scholarly theorem, but the dissimilarity between the personalised politics of patrimonial regimes and the relationships between opportunistic economic elites from outside the system of patronage is not often dealt with analytically. The key concept is legitimacy. Systemic patronage is legitimate with high levels of social trust and even compliance. Patrimonialism is tolerated – even the authoritarian dimensions thereof – because it occurs within the realm of the liberationist narrative, but state capture erodes both legitimacy and trust to the extent that it stigmatises the liberationist justifications for social control. Patrimonialism often is not illegal; state capture inevitably entails challenges to the statutory regime. Lodge (2014:151) quite rightly states as follows: “Their main point is that neo-patrimonialism is not an anachronistic survival that blocks modernization but rather a form of authority that can function in a range of regimes, authoritarian and democratic”.

The process of state capturing and patrimonialism can be operative at various levels, primarily focussing on powerful individuals who can determine policy designs, policy outcomes or the distributive regime which funds public policy (*cf.* Beresford 2009: 133). Whereas such relations rely heavily on the violation of constitutional and statutory distribute regimes, it might not necessarily be corruption and often operates within the fine print of legislated financial management regimes. Migdal (1988:156) in reference to fragmentation of authority within the state and the proliferation of sectarian interests represented by a plethora of societal interests monopolising the authority associated with the state in informal structures of social control, beyond the reach of the statutory or constitutional regime.

The domain of governance where the state has been captured for some time, but which is less exposed to the public eye or even scholarly research, is the local sphere of governance. Informal networks of social control literally captured institutions and extractive regimes at the municipal level on the basis of justified systemic patronage, but not necessarily with the aim of serving the interests of the greater good (*cf.* Darracq 2008:301). Post liberation states are typically weaker, or less efficient at the margins of governance. However, this type of despoliation is often the product of corrupt interests by actors already within the system of patronage. It is more a matter of the pilfering of state resources, and such practices rely heavily on existing patrons—for purposes of personal enrichment—allowing clientele excess to the state’s distributive regime in exchange of



revenue. The reciprocal exchange of status, benefits and distribution of state resources is different from corruption to the extent the relationship is between individuals and excludes constituencies.

As Lodge (2014), quite rightly, argues, this form of enrichment at the expense of the collective (constituencies) often occurred simultaneously with preferential access to employment within the local or provincial governments. This employment is not similar or the same as cadre deployment. The aim of cadre deployment is to consolidate the relational tissue of systemic patronage. This form of neo-patrimonialism would in the guise of cadre deployment, allow the political elite to co-opt their extended family and social relations into architecture of systemic patronage and in the process corrupt a legitimate process of distribution or redistribution of resources and justice.

Similarly, Darracq (2008:301–308) suggests that the main attributes of the state capturing process are, firstly, that it is essentially elitist and binds corrupt or economic elites in the private sector to political elites within the state or parastatals. Secondly, the central focus of economic elites which latch onto political elites for purposes of control of the state or the resources of the state, is policy designers as opposed to policy implementers. Thirdly, because of its elitist nature, the endeavour is to control the institution with specific reference to the distributive practices and policies of the institution. The relationship between economic elites and policy designers is thus not a reciprocal relationship benefitting constituents or social aggregates reliant on a mutually beneficial exchange of political assets between patrons and clients, but rather a personal enrichment at the expense of the greater good, societal or even sectarian interests (see Lodge 2014 in the context of patrimonial states).

THE POLICY FORMULATION PROCESS: A LIBERAL DEMOCRATIC DESIGN

The constitutional and legislative regime of the distributive regime (which include procurement) in liberal democratic states is compliant, with best practices in stable political economies (*cf.* Quimpo 2005:97). Policy is conceived in the requirements for public participation, transparency, the availability information related to transactions, the notion of checks and balances (oversight and accountability) and ethical auditing procedures.

Society in liberal democratic states is assumed to display a sufficient consensus about the master narrative (the Constitution) and dominant social, political and economic aggregates are willing to conform to the need for compromises as regards both the extractive

and distributive regimes of the state. Such compromises are embedded in a legislative regime acting as a regulatory prescription inhibiting monopolies, promoting fair and equitable access for the purposes of social justice, but also economic interests such as access to markets are regulated to enhance the mobility of less efficient actors outside the corporate regime. In liberal democratic states with a liberal democratic disposition towards society and the economy, the emphasis is on the regulatory presence of the state, as opposed to the interventionist presence of, for instance, social democracies and most developing political economies.

Policy design in South Africa is a constitutionally and statutory prescribed process with very specific directives making provision for institutional oversight. Together with the Constitution (Section 217), the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA), Municipal Finance Management, 2003 (Act 56 of 2003) (MFMA) and Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) (PPPFA) direct the regulatory regime of the state's distributive regime. The constitutionally prescribed rules and regulations of oversight and transparency, are furthermore supplemented with legislation such as the Promotion of Access to Information Act, 2000 (Act 3 of 2000) (PAIA) as well as international treaties such as the World Trade Organisation (WTO) of which South Africa is a founding member; and listed with as a developed country, as opposed to a developing country.

South Africa is also a signatory to a trade, development and cooperation agreement with the European Union, also known as the SA-EU Free Trade Agreement (TDCA). Art 45 of that agreement dictates that procurement shall be fair, equitable, transparent, competitive and cost-effective, and the distributive (procurement) regime governing the agreement is to be reviewed periodically by a Cooperation Council (ICLG Report 2003).

The World Bank, similarly issues a regular Country Procurement Assessment Review (CPAR), which is a joint assessment with the South African government of the state's distributive regime and operational practices, with the aim to strengthen "efficiency, predictability, compliance and transparency" in the procurement policy regime (ICLG Report 2013). National compliance with the procurement and distributive regime of the South African state and government is thus reliant on the effective functioning of the legislative and judicial review process, while access to international credit and cooperative agreements fulfil a regulatory function inhibiting deviations from best practice models of economic policy efficiency, predictability, compliance and transparency.

The internationally designed distributive and procurement regimes of international trade agreements and treaties do not necessarily contradict the moral justifications of



redistributive regimes of black economic empowerment (BEE), affirmative action (AA) or even cadre deployment; the emphasis is on compliance with policy regimes, not on the imposition of a normatively prescribed distributive regime preference. It might well impact upon the economic feasibility and competitiveness of the national economy, which influence the fortunes of economic growth, but that is dealt with through the financial consequences of demand and supply costs.

South Africa is one of the most unequal political economies in the world with a Gini coefficient measuring the relative wealth (income data: salaries and social grants) between societal aggregates of 0.65%. The allocation of resources is thus highly unequal with 20% of the population which consumes no more than 3% of expenditure while 3% of the population consume approximately 65% of expenditure (World Bank Report 2014–2017). The operational architecture of systemic patronage; BEE, AA and cadre deployment, is a policy design of redistribution and redress which aims to merge the interests of the state with that of the economy.

If systemic patronage is operative as a state policy only, the contending regime preferences of the state and that of the economy would be in perpetual contestation, if not conflict. The vices and virtues of the respective regimes might well undermine each other and it makes sense to extend the moral justifications of systemic patronage from the state to the economy. In that way the massive inequalities between races and socio-economic classes is subjected to a coherent policy framework, and the state could take an active role in addressing inequalities.

THE PATRON-CLIENT REGIME OF DISTRIBUTION AND REDISTRIBUTIVE MORALITY

Patron-client regimes are to a significant extent compliant with the statutory regimes of liberal democratic systems of social and economic policy design, implementation and verification. It seems possible for normative dispositions of justice and social order to co-exist, however with significant consequences for capital formation, economic growth and political development.

Whereas liberal democratic systems are deeply embedded in a history of “consensus” and relies only marginally on “compromises” as a connective tissue to regulate contestation between unequal societal aggregates, patron-client systems of distribution and redistribution relies largely on compromises as a fabric between unequal social, political and economic aggregates (Quimpo 2005:88). Such compromises are

confirmed by sufficient consensus that it secures sufficient systemic stability to avert conflict about the distributive – and perhaps also the extractive–regime of the state. This “contradiction” is affirmed by Subudubudu and Molutsi (2009), who in reference to elite behaviour and political compromises in Botswana, argues: “[T]here were and there remain challenges and threats which have been dealt with through the medium of an institutional and policy framework that was locally devised, locally legitimate and locally appropriate and which ensured broad consultation, participation and consensus building”. The suggestion is that the elite arrangements replicate a connective tissue embedded in consensus, and that the localization of the arrangements legitimizes the “arrangements”. The question which remains is whether such “localized” arrangements serve the greater good or the relational tissue between patrons without economic authority and disempowered clients.

In the case of South Africa, it could be argued convincingly that even the master narrative (the Constitution) is a result of the necessity of post conflict regimes—for the purposes of social stability and justice—to be founded upon compromises. The regulatory jurisdiction of the state and the role of dominant patrons (political role players) in the economy is the result of a balance of contending social and political forces which is bound to the economy, and impacts heavily on both the extractive and distributive regimes of the treasury and the state.

THE CAPTURED REGIME OF ELITE DISTRIBUTIVE PRACTICES

The captured regime reflects an institutional design (systemic patronage) which is penetrated or infiltrated by actors in the private economy. These economic “strongmen”, often described in the context of the “personalization of power” (Lodge 2014:18) establishes social and economic relations with master-patrons within the public and/or political sphere with the aim of diverting the resources of the state away from the clientele to monopolies in the economy. The primary interest of such strongmen is to formalise opportunistic practices by corrupting the ideals of the “moral economy” which is to redistribute the “greater good” in mutually beneficial (reciprocal) relations between patrons and clients.

If successful, such relations from outside the moral economy, have specific and measurable consequences for the legitimacy of the state, the compromised policy designers, and/or political elite. The elites from the liberal democratic regime generally tolerate systemic patronage as a redistributive practice with moral justification, and are more often



prepared to endure the consequences thereof as a form of taxation. But, the captured regime, which gives systemic preference to strongmen in the economy, allowing them to consolidate business monopolies with the support of the political elite, is generally considered to be contravening the compromise between the liberal democratic regime and systemic patronage.

The focus of such strongmen is the distributive regime of the state, and the incorporation of the political and bureaucratic elite could be either at the level of the individual or with the aim of institutional control. At individual level such relations are often considered to be illegal and corrupt, while at the institutional level these relations are dependent on opportunistic practices and rituals which take liberty with weaknesses and ambiguities within the policy design or process of implementation.

While the liberal democratic regime as well as systemic patronage is heavily reliant on the connective tissue of trust as a means of lubricating the reciprocal nature of social, economic and political relations, state capture protagonists and the political elite are bound by the necessity of social and institutional exclusion. A World Bank Group Report (2016) describes the dynamics of state capture as follows: "Countries which fall victim to state capture often end up having elites and corporations working in tandem with political leaders to extract rents rather than build and develop the state".

The goal of strongmen with vested interest in capturing policy implementers and/or designers is to control sections of the economy or to gain a monopoly in specific sectors of the economy. Often the sectors which are more lucrative are targeted such as the mining industry, which appends the interests of the strongmen to the international political economy. In most developing political economies, the local market is not sufficiently endowed with a consumer demand capacity to satisfy the interests of these strongmen.

The real wealth to be generated from relationships between strongmen and the local political elite is embedded in export markets, especially when a monopoly in the local market is threatened by other dominant role-players who are operative in the sphere of systemic patronage. The latter normally are already being 'taxed' through statutory prescribed BEE arrangements, affirmative action personnel policies and employ dominant cadres approved by the ruling party. Their productive output and surplus revenues are invested in the "compromise between liberal democratic regime preferences and that of the legally prescribed system of patronage". They invest in the moral economy, whereas the strongmen operative in relations between the political elite and economic strongmen, invest in the nurturing of monopolies and the personal enrichment of the individual political elites.

The primary definition of economic elites who seek to capture an institution within the state or to bond its interests to that of the policy elite, is that it functions as a ‘permanent outsider’. Such individuals, groups or companies do not seek to occupy the institutions of the state. Control of these institutions remains within the jurisdiction of the political elite; the mutually beneficial relationship is delimited to resource extraction and the consolidation of monopolies within the (private) economy. Economic strongmen do not occupy the boards of parastatals, are appointed as directors within the bureaucracy or become members of the executive arm of the state; they co-opt members of the political elite (cadres) with whom they have established relationship of mutual benefit at the expense of the greater good as well as their contenders within the formal economy.

Cadres are often overpaid bureaucrats with limited skills to maintain their clientele relations of preferential access within the system of patronage. Opportunistic strongmen often claim the same preferential access rightfully bestowed on cadres and previously marginalised constituencies, but not necessarily always. State capture relations are more likely functional as informal arrangements which endeavour to escape the piercing presence of the Auditor General or any institutional oversight responsibility and generally do not lay claim to being a formal interested party in the process of policy design or the execution of the state distributive interests.

DISMANTLING THE CONNECTIVE TISSUE BETWEEN ECONOMIC STRONGMEN AND POLITICAL ELITES

Relations, who manifest in a captured state, are often beyond the statutory confines determining frugal economic determinants. In that sense it corrupts the ideals of the greater good and the principles which attach political elites to large constituencies within society, if not society as a whole. In post liberation or post conflict societies where the incumbent elite gained authority after a prolonged colonial struggle, such elites benefit from a deeply rooted legitimacy not conceived in electoral reform, but rather in the moral justifications for social control.

The fundamental way of occupying the state – which is a feature of systemic patronage – is the strategic placement of cadres (*cf.* Basson and Du Toit 2017:88). Cadres have authority and status within the liberationist realm and are trusted to affect the preferential access of large constituencies of clientele. Cadres are not necessarily patrons, and patrons are not necessarily rooted in the liberationist realm. But, cadres, is very often ‘outsiders’ in the sense that they are the enforcers of systemic patronage. As Mathekgga (2016:33–78) argues with reference to the ANC, when the “consensus” between patrons



and their clientele becomes corroded and the legitimacy of the state is affected in a measurable or observable way, cadres are deployed to re-entrench the authority of the state. The relationship between cadres and constituencies is not defined by the notion of trust or the presence of social capital; it is an imposition of authority.

Cadres are deployed to state owned enterprises or the bureaucracy to enforce the authority of the state through the occupation (capture) of the institution, not to affirm historical, reciprocal relations between state and society (or constituencies). Cadres, therefore, act as the point of merger—of interests—between economic strongmen in the formal economy and the distributive regime of the state. Once consolidated, such relationship provides the economic strongmen with not only preferential access to the state's distributive regime, but also amend or distort the rules of the (distributive) regime to protect their monopoly in a predetermined sphere or sector within the economy.

The operational architecture of majoritarianism reflect attributes such as a common enemy, a common history of repression, being representatives of a class of destitute and impoverished rural peasants and an unrepresented working class or peri-urban communities of informal "settlers". The connective tissue of such a dense network of complex justifications for majoritarian rule, dilute the effectiveness of party-political contenders as they also represent a contending regime preference.

In liberal democratic systems, the contest between political parties plays out within the realm or narrative of a relatively monolithic normative disposition of social control and contestation. In post-colonial societies, contending regimes go into battle for the moral authority to control the state, rather than to manage social and economic interests. The state is not managed as an open democracy representing the interests of the greater good, but rather as an institution to be occupied and controlled. Systemic patronage maintains a similar justification through cadre deployment within the state and empowerment via the (private) economy, but the moral justifications of systemic patronage for state occupation is subjected to a compromise with economic elites.

The captured state, however, is functional in the normal realm of electoral contestation, and has to accommodate as many patrons and clients as possible within the sphere of reciprocal exchange and also maintain an additional set of relations which corrupt the distributive regime of the bureaucracy. The legitimacy to govern is thus impacted upon from within at least two regime contenders, and the inherent contradictions of having to serve opportunistic economic elites as well as a diverse and complex plethora of political clientele has a corrosive effect on the moral authority of the state to extract and distribute. The distributive regime of the state is under pressure of the patronage system

and the extractive regime of the state is challenged by the liberal democratic regime's urges for economic efficacy.

The main purpose of the opportunistic relations between economic strongmen (elites) and the political elite, is to augment the conditions for (economic) monopolies to thrive. Such monopolies accept the presence of economic contenders, but seek to gain an advantage through the suspension of the regulatory regime which applies to other economic elites. Mining rights, permits for mineral exploration, water rights and tender regulations are some of the regulatory features to which the liberal democratic regime is subjected to and which both systemic patronage and state capturing regime strive to circumvent. The purpose of these monopolies is the extract maximum resources from the distributive regime of the state, but also to inflate the benefits of their business with the state by corrupting the presence of the political and bureaucratic elite within the policy realm. In the process, the cost of the goods supplied and services rendered by economic strongmen are inflated – on authority of the corrupted political elites—to fund the relationship with these elites who are determining managers within the policy design or implementation process.

These relationships are extremely hard to dismantle as it becomes a feature of the anatomy of governance, and in its early stages comfortably coexist with the practices of systemic patronage. It is only when such relationships start to impede the extractive capacities of the state due to low growth cycles and the justifications for systemic patronage is threatened by resource depletion that the post-colonial state comes under pressure from constituencies and constituents from within the post-liberation narrative (*cf.* Basson and Du Toit 2017:22–90). Due to its status as the historical owners of capital and assets, the proponents of the liberal democratic system are ineffective as opponents of relations of political and economic capture.

The liberal democratic means of electoral contestation only has a marginal impact on dismantling the authority of political elites under these conditions as the representatives of the liberalism (still) stigmatised as a contender within or outsider to the regime compromise (between liberalism and systemic patronage). The representative or proponents of the liberal democratic regime preference are perpetual outsiders and operative beyond the moral authority of the liberationist narrative. That may well be the reason why only political elites who became marginalised within the liberationist narrative are (relatively) successful at the ballot box when contesting the dominance of the post conflict regime. Electoral contestation is destigmatised if conducted by political elites untainted by association with either the colonial regime or die economic ideology of the former oppressors.

CONCLUSION

Sociologist, Julia Adams (1999; 2009), makes the argument that the conceptual confines and operational architecture of patrimonialism should be revisited to interrogate its scholarly elasticity for application to varying and diverse case-studies. But, that is if patrimonialism or even neo-patrimonialism is equated with reciprocal relational tissue of clientelism. Systemic clientelism should be distinguished from patrimonialism and theoretically the notion of the “captured state” should be differentiated from both patrimonialism and systemic patronage (clientelism).

If the three concepts are explored from the theorem of contending regimes, it contributes to understanding both the analytical and comparative attributes of state-societal relations in societies which adopted liberal democratic regimes as a compromise between the liberationist and liberal narratives. The captured state-regime, as a means of embedding the relational tissue between economic strongmen and political elites, co-exists within a number of hybrid liberal/patronage systems in a single political economy. It is well tolerated by political and economic elites until economic contraction inhibits the state’s distributive range. The centrifugal forces which threaten the connective tissue between the three regimes are conceived in conditions of scarcity. These forces not only threaten the democratic project in southern African states, it also spells doom for liberation movements.

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