India's Political Influence in South Africa

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Abstract

This article analyses the repercussions of state capture initiated by President Jacob Zuma in collaboration with the Gupta brothers on Indian South African identity. Entering the country in the early 1990s, the Guptas were part of a new wave of Indian immigrants following India's renewed embrace of neoliberalism and globalization. By then, over 1.3 million Indian South Africans resided in the country; the majority tracing its ancestry to indenture from 1860 to 1911. This article proposes that ties between the former indentured Indians in South Africa and the motherland were primarily severed when India imposed sanctions on apartheid South Africa and severed diplomatic relations in the early 1950s. Despite opposing apartheid in the international and diplomatic arenas, India was absent from the lives of Indian South Africans after the banning of the African National Congress in 1960. The Gupta scandal exposed class divisions among Indian South Africans, the burgeoning ranks of the poor amongst them, and the measures they have taken to survive in their homeland. It also shows the weaknesses of the South African post-Apartheid state and its inability to claim sovereign control over the entire country.

Introduction

What does the notoriety of the Gupta family, who actively pursued state capture under the Zuma presidency, expose regarding the location and character of Indian South African identity? This article proposes that 'Guptagate' uncovered more about India-South African relations since indenture than Indian South African Diaspora identity. It revealed India's relatively weak efforts to directly support black anti-apartheid activists, inclusive of Africans, Indian South Africans, and 'coloureds', protesting *in* the country. Between 1947 and 1993 India severed diplomatic relations with apartheid South Africa; this contributed to severance of Indian South Africans from the motherland. It was when India embraced neoliberalism more fully and embarked on intensive global capitalism in the 1990s that it moved to expand and encourage its Diaspora to re-establish financial connections and Indian residency. These policies targeted more recent and wealthy Indians living abroad mainly in North America and Western Europe. The Gupta scandal illustrated, on the international stage, the distance between India and its indentured diaspora.

The state capture schemes also brought to light the particular character of the South African political system. The second proposition of this article is that the South African state can only claim partial sovereignty in that it cannot monitor and control all parts of its territory. It is incapable of maintaining hegemony over significant corridors of the country; these include the vast shantytowns, squatter camps, informal economies, illegal activities, and customary and religious practices that defy state control and intrusion.

Likewise, Indian South Africans have constructed communities that are mostly closed to the broader public. These take the form of religious organizations, neighborhood networks, illegal and illicit transactions and relations, underground loan services, gang membership, drug cartels, and myriad other associations and activities. The elite occupy positions in the national political arena, commerce, and professional institutions; they engage with the state through civil society. The public state capture investigations have implicated many from this sector.[1] However, the majority were isolated from these political shenanigans, most of who are from the working classes and poor. They constitute what Chatterjee calls 'political society', or associations that are not part of what is recognized as civil society (2001: 183). They protest rent hikes while living in illegally rented houses. They ask for police protection and so-

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[1] *Inquiry to Inquire into Allegations of State Capture, Corruption and Fraud in the Public Sector Including Organs of State*. The appointed chairperson of the commission was the Honourable Mr. Justice Zondo, Deputy Chief Justice of the Republic of South Africa.

cial services in the face of drug abuse spurred by rampant trafficking. They mobilize to get more services for their squatter settlements and makeshift dwellings built upon illegally invaded land.

The Gupta scandal illuminated the relative invisibility of poor Indian South Africans within the sovereign state and the skewed nature of the post-apartheid government that empowered members of the ruling African National Congress (ANC) through Black Economic Empowerment (BEE) and access to State-Owned Enterprises (SOEs). Despite the loss of billions of South African Rands (ZAR) through state capture and overall corruption, the conditions of the vast majority of the population were not directly affected. The Indian South African proletariat and the poor continued to react to the elitist and absent state by doubling down on retracting from the public arena. They have met the daily media exposure of privileged Indian South African co-conspirators and enablers with trepidation, aware that such negative publicity could easily rile up anti-Indian sentiments. More significantly, the scandal drew attention to a community that has made a concerted effort to be unseen, minding its own affairs, surviving, and thriving in its homeland. Many were disgusted with the brazen high-profile schemes of the Guptas. Furthermore, these nefarious activities challenged popular narratives about India as epitomizing a superior civilization guided by spiritual and fair-minded principles.

Most studies on state capture prioritize the relationship between the Guptas and significant ANC officials; this analysis focuses on the South African state itself and asks how a family could have engineered such strong influence in a nascent democratic state populated with former revolutionaries and social activists. The article begins with an overview of India-South African relations; it then traces the economic and global framework underpinning the Gupta arrival in South Africa. A section on the meaning of state capture follows and highlights the role of Zuma and the ANC in facilitating the process. The last part deals with how Indian South Africans have maintained a distance from the ANC-dominated state.

India -South Africa relations

Indian South Africans are not a homogeneous group. Class and ethnic/religious affiliations parallel India's regional differences and the period of arrival in South Africa. The Dutch East India Company first brought foreign labour to the region in the seventeenth century; the 63,000 enslaved people that landed at the Cape between 1652 and 1808 were ethnically diverse, hailing from Malaysia, the Indian coasts, and the Indies archipelago (Shell, 1994). They spoke diverse languages, including Javanese, Malay, Bengali, and Kannada (Kruger, 2000:112). Successive white regimes categorized descendants

from these groups as Cape Malay, Cape Coloured, Other Coloured (naming conventions that defined them as being of mixed race), and Indian. More than half a century later 152,641 Indians were indentured to Natal between 1860 and 1911, which was then a British colony. In addition, from the 1870s onwards, 'passenger' Indians, who came at their own expenses, arrived in Natal. By the 1890s, they numbered about 5,500 (Swanson, 1983: 404). In 1984 Indians surpassed whites in Natal, totalling 43,000 and 40,000 respectively (Huttenback, 1966: 275). Now Indians remain a small minority in South Africa (2.5 percent) while whites are a more substantial minority making up 8.9 percent of the total population (2011 census).

Indentured Indians were mainly from Tamil Nadu and Andhra Pradesh in southeast India (60 percent were Tamil and Telugu speakers), and Bihar and Uttar Pradesh in the northeast (speaking Hindi and its provincial varieties like Bhojpuri, Awadhi, Magahi, and Braj) (Bhana, 1991: 20). Hindus made up over 80 percent of the indentured community, Muslims accounted for 12 percent, and 5 percent were Christians (Brooks and Webb, 1965: 85). Passenger Indians were mainly Urdu-speaking Muslims from the Bombay area but also included Hindu Gujaratis and Punjabis. Between the 1950s and 1980s, language diversity amongst Indians with a substantial degree of fluency in multiple vernacular languages, gave way to English; Mesthrie argues that this was because there wasn't an umbrella language for all Indians, as in Fiji for example (Mesthrie, 2007: 139). Other scholars have documented the changes in Hinduism, Islam, and Christianity over the years (Vahed and Lal, 2013); of significance here is the indigenization of these practices and reconstructions of Indianness in the African continent (Reddy, 2016).

Class divisions further divided Indian South Africans; location influenced access to tertiary education, business networks, and upward mobility. The middle-classes tended to live in more affluent areas like Reservoir Hills and Isipingo Beach; the working classes in the townships of Chatsworth and Phoenix (Mesthrie, 2007: 141). The former came to associate English with westernization reinforced by the Indian education curriculum, which was secular and oriented to Western values. English became the medium of communication throughout, albeit with 'an incarnation of an Indian language' that emphasized the distinctiveness of the English spoken by Indian South Africans (Mesthrie, 2006: 220-221). Besides class differences based on employment, cultural differences revolve around consumerism, favoured entertainment spaces, and alcohol or food choices (Bhana and Buccus, 2016). Lastly, Indian South Africans do not vote as a block; the majority (57-96 percent) categorize themselves as independents (Schulz-Herzenberg, 2007: 129). The upper classes have been more likely to vote for the ANC while the poorer classes have voted for opposition parties who promise to represent minorities (Habib and

Naidoo, 2006).

A third wave of migrants from the Indian subcontinent began in the 1990s following the end of apartheid. These included the kurukkal (traditional Brahmin priests), mainly from Sri Lanka, who took a prominent role in local temples (Ganesh, 2010). In 2013 migrants from India made up the third-largest category representing 6 percent of the migrant population (Statistics South Africa, 2014). This wave includes legal Indian migrants with exceptional skills who qualify for business, work, study, and tourist visas either for permanent or temporary residences (Govender, 2015). Others enter illegally or through irregular means mainly in search of jobs; having few protections, they often end up in exploitative and abusive situations (Seedat-Khan and Johnson, 2018: 244). Jostling for work with poorer South Africans, they are exposed to xenophobic attacks and violent exclusionary practices (Singh, 2014). Indians currently number about 1.3 million and comprise 2.6% of the population (Statistics South Africa, 2010).

Mahatma Gandhi, who was in South Africa from 1893-1914, played a pivotal role in organizing Indian protests against racial segregation; he formed the Natal Indian Congress (NIC) and led Satyagraha campaigns in 1906, 1908, and 1913. His organizational tactics influenced black opposition movements like the ANC, formed in 1912. While Gandhi concentrated on organizing Indian protests to demand for more rights within the British colonial empire, other Indian activists, like G. K. Gokhale, objected to the system of indenture itself. Gokhale opposed its exploitative basis and the Magistrates and Protectors who represented the Colonial Government and sided with planter interests (Verma, 2009: 862). Critics of Gandhi's role in South Africa bring attention to his alleged racism towards Africans and his failure to align the Indian struggle with African liberation (Desai & Vahed, 2016). During his stay in South Africa, oppression against Africans radically increased; they bore the brunt of pernicious segregation laws that denuded them of land, forced them into a highly exploitative labour market, and created a working-class by eviscerating the subsistence-based economy of the past.

From 1914 onwards, Gandhi and Jawaharlal Nehru, the Indian National Congress leaders, adopted an anti-imperialist stance (Kahn, 2010). In 1946 when the Apartheid regime gained power, India severed all diplomatic relations with South Africa, withdrawing its Mission in 1954. Indian diplomats raised the issue of racial discrimination against Indian South Africans at the United Nations. They argued that such discrimination violated UN human rights provisions and the 1927 Cape Town agreement that defined South African Indians' status within the empire. Later Nehru and the Congress party broadened the call against apartheid to include Africans; they made several attempts at the UN to pressure South Africa into dialogue regarding apartheid

policies. The Indian Mission in South Africa was re-established only in 1993.

The exiled ANC opened an office in New Delhi in 1967 and received a diplomatic status. In the meantime, in the period between the banning of the ANC in 1960 to its unbanning thirty years later, activists in South Africa mobilized formidable resistance through organizations like the Black Consciousness Movement (BCM), the United Democratic Front (UDF), the Congress of South African Trade Unions (COSATU), and other community-based movements. Indian South African activists made a concerted effort to align their opposition with broader African and black struggles. The psychological distance between India and South Africa widened as Indians became more indigenized and removed from the subcontinent.

In 1994 after the electoral victory of the ANC and the establishment of black majority rule, the Indian Embassy reopened. The 'Overseas Citizenship of India' document created in 2005 gave certain rights to Non-Resident Indians (NRI), Persons of Indian Origin (PIO), and Overseas Citizens of India (OCI); the latter two were merged in 2015.

By 1996, 94.4% of Indian South Africans declared English as their home language (Landy, et al. 2004: 208). There is scant knowledge about ancestral hometowns or families in India; the shipping lists from the indenture period have only recently been available online. Indians are urbanized, caste identities are unknown, and religious practices are indigenized and, to a large extent, secularized. In the post-apartheid period, India made a more significant effort to increase cultural and economic engagement; the strategy included encouraging cross-country entrepreneurship and expanding the presence of South African Bollywood promoters and film producers. The Indian Council for Cultural Relations (ICCR), established in South Africa in 1996, promotes cultural events and exchanges. Indian conservative nationalist organizations have tried to mobilize financial support in South Africa; in 1996, the Rashtriya Swayamsevak (RSS) operated as the Swayamsevak Sangh (HSS) in Durban but only managed to attract a small following. Indian South African identity is fragmented along socio-economic class lines, linguistically (cultural divisions rather than language proficiency and use), and generationally. As Landy et al. observe, India remains a referent as an 'abstract existence' visualized as a whole rather than associated with a specific region of ancestral origin (2004).

India and South Africa in the 1990s

India's neoliberal reforms in the late 1980s influenced its relations with the Diaspora; a policy shift occurred from being grounded in emotional and cultural ties to pragmatic and economic linkages (Mishra, 2016). Targeting the 'New Diaspora' which formed after Indians left India from the 1960s onwards,

these policies focus on remittances, expenditure on services (communication, travel), capital investment, and philanthropy. Representing the 'Old Diaspora,' Indian South Africans are not a prime or a significant player in this particular endeavour; however, the African continent remains vital for access to raw materials, precious metals, new markets, and geopolitical competition with China.

The Guptas entered the country in the post-Cold War period when global markets and neoliberalism were reaching new heights. The post-Apartheid Mandela government was also affected. Initially adopting the redistributive Reconstruction and Development Programme (RDP), the ANC quickly changed course to embrace the neoliberal Growth, Employment and Redistribution (GEAR) agenda in 1996.[2] It signed onto the new General Agreement on Tariffs and Trade (GATT) and joined the World Trade Organization (WTO), both committed to neoliberal principles. Even in subsequent iterations of its economic plan, the ANC continued to promote minimal state intervention, private control and ownership of the economy, and deregulation of the labour market (Mosala et al., 2017). With a reduction in national checks and balances on international business transactions and fewer gateways to foreign investments, both India and South Africa had the optimum conditions for the infiltration of the Gupta family.

The Gupta Brothers

The Gupta family hails from Saharanpur in Uttar Pradesh. Atul Gupta arrived in South Africa in 1993, initially embarking on an unsuccessful attempt to sell shoes through Liberty Retail. He later moved into Information Technology, starting with Correct Marketing that later became Sahara Computers, a cornerstone of their business empire. His brothers Ajay (oldest) and Rajesh (youngest, also known as Tony) joined him later. In just over a decade and a half, the brothers became some of the wealthiest people in the country. Based on JSE-listed holding in 2016, the family was seventh wealthiest in South Africa, with an estimated net worth of ZAR10 billion (US$773.47 million). In that year, the former South Africa Public Protector, Thuli Madonsela, published a withering 355-page 'State of Capture' report. Ample evidence from various whistle-blowers substantiated accusations of state capture by the Gupta brothers and detailed how the family fired and replaced cabinet members and directors of state-owned-enterprises (SOE's). The report also highlighted a litany of other irregular and questionable practices. By 2019 government offi-

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[2] GEAR was followed with Accelerated and Shared Growth Initiative- South Africa (ASGISA) in 2006, the New Growth Plan (NGP) in 2010, and the National Development Plan (NDP) in 2012. All these economic programs follow neoliberal principles.

cials said they were investigating ZAR40 billion worth of Gupta-related fraud (Times Live, May 20, 2019). The United States Treasury's Office of Foreign Assets Control forbid the Gupta brothers and Salim Essa (discussed below) from doing business in the US or with US businesses over corruption in South Africa. In April 2017, the family fled to Dubai; in the same year, South African banks blocked them from accessing their facilities.

State Capture: Indian Collaborators

In March 2016, the Deputy Minister of Finance, Mcebisi Jonas, informed the public on national television that the minister of finance's position had been offered to him by the Gupta brothers *before* the incumbent, Nhlanhla Nene, was dismissed on December 9, 2015. This began a series of public allegations about the depth and reach of the Gupta influence and corruption.

Transparency International (2014: 1) provides a helpful definition of state capture.

> It is one of the most pervasive forms of corruption, where companies, institutions or powerful individuals use corruption such as the buying of laws, amendments, decrees or sentences, as well as illegal contributions to political parties and candidates, to influence and shape a country's policy, legal environment and economy to their own interests.

State capture is often elided in discussions about corruption, which is prevalent in varying degrees throughout the world. But it is vastly significant and represents an extreme form of corruption in many countries.

Varraich offers an insightful difference between corruption and state capture; he sees clientelism, patronage, and patrimonialism as focused on the *output* side of corruption, while state capture focuses on the *input* side (2014: 25). Most corrupt behaviour is premised on bribery to subvert the implementation of laws, rules, and regulations (Sitorus, 2011: 47). State capture attempts to influence the making of these laws, rules, and regulations. In state capture, the emphasis is on the front-end; corrupt practices affect law-makers, ministers, directors of powerful SOEs, and other regulatory bodies (Hellman and Kaufmann, 2001). Those involved in state capture aim to take over critical institutions of the state to ensure that their objectives to appropriate, steal, make illegal profits, and launder money, are possible without interference from state personnel, institutions, rules, and regulations. It is somewhat like a neoliberal free-market economy on steroids with no checks and balances and unrestrained moneymaking determined by market forces and individual avarice.

Dassah highlights several types and characteristics of state capture (2018). These include the kinds of institutions captured, the types of captors

involved (Sitorus, 2011: 47), and what is captured - either a single organization or all organizations or government departments (Fazekas and Tóth, 2016). Moreover, we can draw distinctions between party-state capture (parties attempt to achieve political monopoly) or corporate state capture (private interests exercise political influence; Innes, 2013), and systemic predatory capture (Mtimka, 2016). The main characteristics of state capture are that the captors focus on elected and appointed officials who make policy. Corruption is enacted through patronage networks, and politicians and officials often participate in this process for upward political mobility rather than monetary gains. In addition, formal institutions (political parties, the media) are manipulated (openly or surreptitiously) to represent the interests of state captors.

The Gupta brothers were familiar with all three post-Mandela presidents (Thabo Mbeki, Jacob Zuma, and Cyril Ramaphoza) but had more sustained personal links with President Jacob Zuma and his family. Through him, they were able to broaden their network to include state officials and influential personnel. They stand accused of using strong-arm tactics to fire and hire government ministers and directors and bribing and influencing the decisions made by directors of SOE's. In addition, they are implicated in unlawfully attaining government tenders on both the supply-side (for example, provision of computer hardware) and demand-side (for example, acquisition of a coal mine to supply Escom, an SOE).

The rise of the Guptas was facilitated, in part, through the collaboration of South African Indians in the public and private sectors. Salim Aziz Essa, for example was a crucial player in the Gupta domain. He is accused of plundering state coffers like Eskom, Transnet, and Denel. Funnelling money to banks in Dubai and other locations, he created shell companies to avoid taxes, launder money, and hide illegal revenue. Essa set up companies in South Africa, Dubai, Hong Kong, and China, creating a Gupta business grid that traversed the globe. He had directorships in 43 South African companies (Times Live, May 20, 2019). Essa is a South African, now in hiding in Dubai; he is a product of elite private education (St. John's College), a B. Com. degree from the University of Witwatersrand, and a resident of wealthy Johannesburg neighbourhoods. As his notoriety became known, South African Indians distanced themselves from him: 'There was a time when worshippers at the Houghton mosque would virtually want to kiss his hand on Friday afternoon. By the end of it, he was an embarrassing, unwelcome sight from some of us' (Bezuidenhout, October 2019).

Other influential players include Essop Pahad (Minister in the Presidency 1999-2008), Iqbal Sharma (Deputy Director-General of Department of Trade and Industry), and Anoj Singh (CFO of Transnet (2009) interim, 2012 permanent) and Eskom in 2015). The Guptas also leaned heavily on friends

and recruits with connections to India to manage and work in various enterprises. For example, Ashu Chawla, director of Sahara Computers and its counterpart in India (Sahara Computer and Electronics Limited), was born in India but had South African citizenship for 17 years. He stands accused of using connections in Home Affairs and other departments to get early naturalization for Gupta family members and prospective Indian workers; he also facilitated the issuance of work visas through an 'intra-company transfer' that circumvented the official visa process. In addition, he is one of eight people accused in the Estina Dairy Farm case and faces charges of corruption and money laundering worth over ZAR220 million designated for poor farmers in Vrede (#Guptaleaks, 2018).[3]

The brothers also invested in their hometown in India. In June 2014, construction started on ZAR180 million Shiva Dham temple in Saharanpur; the Siv Mandir trust became the conduit for Gupta funding. The Guptas have been accused of using the temple to take illicit money into India (Kumar, 2018).

Besides concentrating on building their business empire in South Africa, they also captured South African cricket. In 2004 Sahara Computers made a deal with (paying ZAR25 million to) the cricket board to name three globally coveted grounds (Newlands, St. George Park, Kingsmead) and a year later received lucrative contracts to provide computer hardware for cricket and rugby in South Africa (Myburg, 2017). Their trajectory seemed to mimic India's corporate giant, Sahara India Pariwar, which sponsors the Indian national cricket team. In 2005 the South African team played five one-day international matches in India, including an elaborate and ostentatious public visit to Saharanpur. Four years later, Lalit Modi (friend of the Guptas) and the founder and chair of India's Premier League (IPL) brought the T20 tournament to South Africa; he had scouted other possible global venues because of security concerns associated with the 2008 terror attacks in Mumbai. In 2012 the Guptas fielded their private cricket team in the T20 Challenge (the New Age Impi) but failed to make any headway.

Prominent Indian elites, including the Indian high commissioner and other leading government officials, were familiar with the Guptas. In 2013 the brothers chartered an aeroplane to transport 200 guests (relatives, friends, politicians, and businessmen) from India to attend a niece's wedding in Sun City (the Las Vegas of South Africa). The plane landed at a military base, and guests were escorted to the venue – arrangements exclusively for military and

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[3] In 2012 a Gupta shell company acquired rights to run a government-funded dairy farm (without a bidding process). The Guptas are alleged to have made $16 million from the operation.

security personnel. This incident sparked intense public scrutiny. The South African branch of the Bank of Baroda, India's second-biggest bank also came under investigation. The South African Reserve Bank had flagged over 4000 suspicious Gupta accounts; bank employees had dismissed all these alerts. Finally, in 2018 the bank announced its plan to leave South Africa.

The list of suspects associated with the Gupta investigations illustrates close collaboration with South Africans, some of who were Indians in important positions. Their networks included the German software giant SAP, international consultants McKinsey & Company, and the global accounting firm KPMG. India played a significant role in personnel willing to relocate to South Africa; it also provided a base for sister companies to launch more subsidiaries and branches in South Africa. Most importantly, it turned a blind eye to the wheeling and dealings of the Guptas brothers. While South Africa has several high-profile investigations of Gupta corruption and state capture, India has started investigations into specific transactions, but none at the national level.

Zuma and State Capture: The 'Zuptas'

Even though there is much to say about the character and circumstances of the Gupta brothers, Jacob Zuma, and ANC cadres who collaborated in state capture, this paper emphasizes the South African state's structural features that enabled state capture. Instead of radically constructing a new state system (as did revolutionary parties in other parts of the world), the post-apartheid government focused its attention on reform. It maintained most governing institutions, albeit renaming and appointing black personnel, retained certain ideological tenets regarding racial and ethnic categories, and maintained capitalist economic conditions to support and attract white and foreign investments. In essence, they continued with an inherently exploitative state that secured the interests of the elite. At the same time, there was an effort made to meet the people's basic needs, but these programs were inadequate to make deep inroads into economic, social, and educational inequalities. Neoliberal principles such as fiscal austerity, export-driven production, and privatization of public services further undermined the government's capacity to address the backlog in housing, education, social services, and other necessities needed for survival (Narsiah, 2002).

There were also challenges that former exiled/detained activists faced in the transition from an underground exiled guerrilla movement to official governing positions in state institutions. The conditions of exile produced, out of necessity, high levels of suspicion, secrecy, conspiracy, clear lines between comrades and enemies, and the individual desire to survive despite difficult circumstances (see Southall, 2013). The public hearings on state capture clear-

ly show that many in the governing party continue to act as if they are still underground. Their public appearances are replete with evasive statements, lies, and expressions of outrage at being accused of theft. Positioning themselves as victims of apartheid and white capitalism, many claim ignorance and present their 'years of struggle' as the highest qualification for public office.

The experiential distance between exiles and national activities further exacerbated the challenges of taking office. Generationally, they also faced the rise of a younger group with no direct experience of apartheid. During this early transition to majority rule, the Guptas entered a country where severe political and economic challenges confronted the new ruling classes. The presence of former-indentured Indians enabled the seamless integration of the brothers into the prevailing systems; they used both internal Indian networks and their recruits from India to infiltrate the state and generate profits for their business empire.

When the ANC-led government took control in 1994, divisions were evident within the alliance, including the South African Communist Party (SACP) and COSATU. The Trade Union Federation was the only organization that has been in the country throughout the anti-apartheid struggles; in a paper presented at the ANC's National General Council meeting in September 2010, it warned the ANC of the rapid movement of the government towards becoming a predatory state. It highlighted the 'systemic creation of a network of patronage and corruption' and blamed the ANC youth league and their allies among the black business elite for paralyzing the state. At the time, COSATU considered establishing a new left-wing party (Plaut and Holden, 2012: 74-75).

In 2010 a senior government official warned that sections of the leadership were being 'captured' by organized crime (Plaut and Holden, 2012: 65). In February 2020, a judge of the National Prosecuting Authority issued an arrest warrant for Jacob Zuma, who was president from 2009 until his resignation in 2018. Zuma's corrupt presidency cost the government an estimated one trillion ZAR (approximately £60 billion) (Joshua Cossin, 2020). He recently appeared in court facing 16 charges of racketeering, fraud, corruption, and money laundering related to a $2 billion arms deal with Thales in 1999 when he was deputy president (Reuters, June 23, 2020). The Zuma family is closely implicated in Gupta financial dealings: one of Zuma's wives, Bongi Ngema-Zuma, worked for the Gupta-controlled mine JIC Mining Services, and they allegedly paid for her ZAR3.8 million residence. Zuma's daughter, Duduzile Zuma, was a director at Sahara Computers; his son, Duduzane Zuma, was a director of several Gupta-owned companies and had close personal relations with the brothers. In 2010 Zuma and fifteen of his family held about 134 company directorships (Southall, 2013: 298).

Under his presidency, Jacob Zuma systematically reconfigured state

structures to empower and augment the president's office. He centralized state control of provinces and local administrations, extended control over the security services, and reshuffled the cabinet to protect his agenda. Openly using state resources and opportunities for personal gain, Zuma manipulated official policies to support his schemes. For instance, he used BEE policies designed to increase the number of blacks in senior management positions, to secure lucrative government tenders, and partner with influential global actors to access coveted mineral and energy resources and markets. In his attempts to consolidate power, Zuma effectively undermined the support of a substantial opposition party based in KwaZulu-Natal, the Inkatha Freedom Party (IFP), which had previously represented the largest ethnic group in the country. A Zulu himself, he garnered support from this region and shifted the battlelines from a bloody conflict between the IFP and the United Democratic Front (linked to the exiled-ANC) to a battle within the ANC among party officeholders. The intense competition over profitable local posts led to terrible outcomes with the targeted killing of many ANC officials. Since 2016 over 90 politicians have been murdered; the province of KwaZulu-Natal is particularly deadly with over 80 deaths between 2011 and 2017 (Onishi and Gebrekidan, 2018). Few were held accountable under Zuma, which was partly due to his success in establishing more control over the security services.

One of the consequences of deregulation under the global neoliberal system has been the movement of capital from point to point, skipping entire countries. As Ferguson observes, international capitalists prefer to work with a small group of African elites, bypassing much of the country (2006: 38). Under these competitive conditions, individual state officials leverage their positions, and access to parastatals and other sources of capital to participate in these international arrangements. Furthermore, the newly acquired government positions of former freedom fighters situated them well to exploit transition economies. Like oligarchs in the former Soviet Union, they secured their places by appropriating and manipulating state organizations, parastatals, procurements and tenders, domestic resources, and global economic contracts and investments.

The large number of people who participate in the informal economy and the steady growth of undocumented/illegal immigrants reveal the extent of state absence. Official statistics indicate that three million people constitute the informal sector, or 20 percent of the employed population (Quarterly Labour Force Survey, July 30, 2019). However, this number is far higher when the employment demographics are studied; for example, 52,100 are traditional medicine practitioners, 26,500 run shebeens, and thousands of others offer neither monitored nor registered services. Research shows that one in every six people employed, work in the informal sector (Fourie, 2018: 1).

The unemployment rate hovers around 30 percent. By 2015 nearly 49.2 percent of the population lived in poverty (Statistics South Africa, 2019). The existence of a 'shadow economy' and underground cultural and social systems demonstrates the inability of the state to claim sovereignty; large sectors of the population operate below the state radar. Public officials could easily capitalize on their access to coveted resources to participate in illicit contractual deals with global entrepreneurs, corporations, and foreign governments. These developments occurred in the context of growing poverty, homelessness, unemployment, and the marginalization of vast sectors of the population. The dominant political party has remained in power by assuming that civilians will be occupied with survival, relying on their personal and community networks.

Political society: Indians in the shadow state

Considered scab labour during colonialism, indentured Indians kindled the suspicions of the black proletariat. Under apartheid, they became a buffer between whites and the African majority. And in the post-apartheid period, they have been mainly sidelined and isolated as a small minority in mainstream politics. Indigenized and Africanized, South African Indians remain ghettoized within the country through segregationist and apartheid legislation.

Indenture severed Indians from India, both spatially and mentally. Resistance to oppression became part and parcel of permanent settlement and survival. Covert opposition to racist and exploitative legislation ranged from social transgressions (suicide, alcoholism, drug abuse, spousal abuse, and sexual assault) to public and private cultural/religious events (large festivals, vibrant religious rituals/celebrations like Kavadi, fire-walking, and Moharram, and elaborate weddings). Gandhi and the NIC, who first represented the traders/passengers' interests, initially organized explicit resistance. At the time, Gandhi feared that segregationist laws would 'degrade the Indian to the position of the Kaffir,' and miscegenation would do the same (Bose, 2014: 229). A small group, mainly Natal-born, Western-educated, and Tamil, organized other constituents under the Natal Indian Patriotic Union, the Colonial Born Indian Association, and the South African Indian Community. These organizations concentrated on fighting the £3 annual tax levied on those who entered indenture after 1895. They influenced Gandhi in leading the October 1913 anti-tax strikes; the colonial administration eventually abolished the annual tax.

Local Indian leaders also moved towards closer collaboration with African resistance organizations; the Doctor's Pact of 1946 exemplifies united action between the NIC and the ANC. Under apartheid, Indian South Africans opposed a tricameral parliament that incorporated them and Coloreds into a tiered apartheid governing system that excluded Africans. After the ANC's

1994 electoral victory, Indian South Africans were appointed to six cabinet positions far outweighing their proportion in the population.

The Guptas and their local collaborators conceal class divisions between Indian South African. Unemployment among Indians is high: 10.8 percent in 2011 (5.6 percent for whites and 28.9 percent for Africans) (Statistics South Africa, 2011). Poverty is also high, as are the social maladies that impinge on wellbeing. Illegal drug distribution networks, for example, have plagued working-class townships; the lack of state support for clinics, rehabilitation centers, social services, and anti-drug education campaigns has worsened the situation. Indentured Indians formed the core of the working classes in colonial Natal. Gradually moving out of agriculture into urban employment, the proletarianization of Indians was significant and definitive in terms of identity and position in the country. In manufacturing, for example, Indian women laborers increased from 1,518 in 1951 to 13,530 by 1970 (Freund, 1991: 422). The manufacturing sector has been particularly vulnerable to the neoliberal policies of the 1990s like tariff reduction and competition with countries that have weaker trade unions and lower salary costs. Economic challenges have affected electoral choices. In 1998, 89 percent of Indian South Africans saw themselves as independents; they supported the Inkatha Freedom Party and Minority Front, Democratic Party, and ANC (Habib and Taylor, 1999: 263). The educated middle classes have remained supportive of the majority party (Hart and Padayachee, 2000: 689).

Hansen sees pensive melancholia among all Indian South Africans expressed in theatre performances, radio, and jokes (Hansen, 2005). There is resurgence in a desire for news about the community, more cultural programming, and tours to India. Supporting crowds have not abated for large festivals like the Mariammam 'porridge' prayer, the Gangaiammam festival, and the Muruga/Soobramonier Kavadi festival. Many of these are similar to rituals practiced in India (Diesel, 2003).

South Africa's 2016 Community Survey[4] showed that 0.9 percent or 11,688 Indian South Africans lived in informal dwellings. In locations across the country, informal homes and shack dwellers are ubiquitous. Large groups of people live in zones not directly controlled by the central state; here, they live, survive, and reproduce their way of life and culture. The national political scandals involving the Guptas barely affected these folks directly. For poor and working -class Indian South Africans, life continued along the trajectory of struggle and hustle to survive. Either working below the state or selectively

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[4] The Community Survey 2016 is a large-scale survey between Censuses 2011 and 2021. http://cs2016.statssa.gov.za/wp-content/uploads/2016/07/NT-30-06-2016-RELEASE-for-CS-2016-_Statistical-releas_1-July-2016.pdf

engaging through political society, they constitute the unseen masses operating in the shadows of the state.

Conclusion

This paper frames the Gupta scandal in South Africa in terms of India-South Africa relations. It proposes that the arrival of the Gupta brothers from India in the 1990s aligned with the transition to majority rule in South Africa, the end of the Cold War, and the rise to prominence of global neoliberal economic regimes, particularly in India and South Africa. The Gupta entrepreneurs entered South Africa when newly elected and formerly exiled politicians, who had previously focused on winning state power, began to face the economic challenges and choices before them. Initially bent on a form of state capitalism–redistributive financial system, they soon turned course. At that time, international organizations and powerful states had already adopted and fine-tuned their neoliberal policies. Structural adjustment programs demanded by the International Monetary Fund and the World Bank, for example, were entrenched in the developing world. Besides the global frame of reference, the transition from a revolutionary movement to state officials was challenging, requiring more than a quick turnaround of strategies and tactics. The secrecy, divisions, and suspicions of underground operations were not easily shed, nor were the individualistic desire to survive in what was perceived as a hostile environment.

Furthermore, the state structures inherited from apartheid, designed for a white racist regime, were reformed for majority rule – ethnic and racial categories persisted, state ownership of minerals, energy, and transportation facilities was retained, and affirmative action policies (previously for whites) now encouraged and supported African upward mobility. The prevalence of corruption, nepotism, and theft became the hallmarks of the post-apartheid government. President Jacob Zuma and the Guptas added state capture to this dodgy list. During this period, India took more proactive measures to attract investments mainly from the economically successful diaspora in Western Europe and the US. These were the conditions under which the Guptas entered South Africa.

Another feature of the South African state is its limited sovereignty – large swaths of the country are closed or partially closed to their purview and intrusion. Consequently, the issue of state capture did not directly affect the working poor, unemployed, those in the informal sector, and others on the margins of society. This paper focuses on Indian South Africans as a subsection of these groups. While the elite among them might have profited from the Gupta business empire, the working classes and poor were not directly affected

and continued to live and survive in the shadows of the state. At most, they fear anti-Indian retribution; this furthers their anxieties about state corruption.

India is considered the mythical motherland despite more sponsored cultural events, economic presence, and political overtures. Its absence during the decades of apartheid rule has cemented its status; few Indian South Africans speak a vernacular language or express a desire to visit or live in India. India's support of the ANC, which was in exile from the 1960s, widened the gap between exiled organizations and local and national political protests. Most Indian South Africans remained disconnected from the ANC; instead, they focused on regional and neighborhood affairs. While the South African government and the US have addressed state capture and Gupta transnational networks, India has been relatively quiet. There was, and remains, a marked absence of India in the mental and physical perspectives of Indian South Africans.

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