

UNIVERSITY OF CAPE TOWN

# Organised Crime and the South African State post 1994

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A social network analysis of organised criminal  
networks in the Western Cape

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**COMPULSORY DECLARATION**

This work has not been previously submitted in whole, or in part, for the award of any degree. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works, of other people has been attributed, and has been cited and referenced.

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## **Abstract**

*Crime, and the criminals that perpetuate it, are no new phenomenon; however, the way in which we conceptualise and understand organised crime requires revision. Orthodox approaches are no longer relevant to current manifestations of crime, nor is it sufficient to fully grasp its endurance. The difficulty in understanding modern day criminal activity is exacerbated by the fact that leaders of criminal organisations are no longer merely 'criminals' distinct from 'ordinary citizens'. They can also assume identities of state personnel, politicians, policemen and powerful businessmen. The fight against crime, but more specifically organised crime, can no longer be solely conceptualised as a fight against criminals, as they have been traditionally conceived of, but rather a fight against criminal networks. Approaches to organised crime therefore require a methodological approach that highlights the complicated relationships and networks sustaining organised crime. This thesis will ground itself in the theoretical framework of networks and social network analysis. To adequately understand the nature and operations of organised crime we need to start understanding organised crime as outfits of criminal networks spread across communities, cities, and countries creating webs that link a dynamic range of people, businesses and organisations that work together to sustain and profit off organised criminal activity. One of these links that has previously been ignored is the link between criminals and the State.*

*Research shows that the relationship between State and organised crime is not always one of conflict. In many cases it has been found that the State and organised criminal entities share alliances and mutual interests. In South Africa, there are various cases revealing corruption among state officials. Reputable media outlets have reported numerous stories of corruption, which highlight a crisis that may be systemic. The question relevant to this thesis, is what is the relationship between corruption and organised crime? It is for these reasons that this thesis will explore two case studies in which to assess the theory of network and social network analysis. Following a literature review and critical analysis of organised crime, the concept of criminal networks and a shifting from conceptualizing this phenomenon as a hierarchy towards a network understanding, these case studies shall be explored. The intent is to conclude what these networks look like, who is involved, how they operate and what type of relations organised criminals share with the State. It is the hope that this thesis can contribute towards current debates on organised crime, specifically on how organised crime has shifted from an understanding of hierarchy to one of a network.*

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## List of Acronyms

ANC	<i>African National Congress</i>
CBD	<i>Cape Town's Central Business District</i>
CStR	<i>Co-opted State Reconfiguration</i>
FBI	<i>Federal Bureau of Investigation</i>
LDEA	<i>Liberians Drug Enforcement Agency</i>
POCA	<i>Prevention of Organised Crime Act</i>
RICO	<i>Racketeer Influenced and Corrupt Organisations Act</i>
SNA	<i>Social Network Analyses</i>
SARS	<i>South African Revenue Service</i>
StC	<i>State Capture</i>
SSA	<i>State Security Agency</i>
TRC	<i>South African Truth and Reconciliation Commission</i>
UNODC	<i>United Nations Office on Drugs and Crime</i>
USA	<i>United States of America</i>

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## Introduction

Crime, at its most generic meaning of committing an act against the laws of a country, and the criminals that perpetuate it, are no new phenomenon; however, it is adequate to say that never have criminal organisations had the ability to operate both at national and global levels with such reach and impunity as they do in current times. Globalisation and technological advancements have not only changed the reach of organised crime, but also how it manifests, who are its perpetrators and the structures of these groups. In the past two decades the issue of organised crime has become more pressing. Within South Africa this is indicated through media coverage, academic publications and findings published by Pauw (*The President's Keeper*), or Van Vuuren (*Apartheid Guns and Money*), revealing widespread corruption during apartheid but importantly also post-apartheid. As a result, this has caught the attention of criminologists who wish to understand this phenomenon in a post-apartheid context. Recent publications like Jacques Pauw's *The President's Keepers*, and Hennie van Vuuren's *Apartheid, Guns and Money*, have shed light on the mercurial nature of organised criminal activity, its relation to the state, and other powerful figures in South African society. These books provide evidence of how organised crime has penetrated South Africa and the growing alliances between the state and crime. This documentation contributes towards the growing trend of dismissing orthodox conceptions of 'organised crime' and 'criminal entities', which have tended to view the phenomena as operating on the fringes of mainstream society, as anti-social, and corrupting a healthy, law abiding nation by infiltrating the legal economy, (Von Lampe 2001). This is known as the 'Mafia paradigm' (Woodiwiss 2001). It is now evident that organised crime in South Africa is becoming increasingly pervasive. Cases such as the Gupta family<sup>1</sup>, Nafiz Modack<sup>2</sup>, and the Vrede Dairy Farm<sup>3</sup> reveal that traditional notions of organised crime remain limited and have shown to be inadequate.

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<sup>1</sup> A case involving State Capture between the wealthy Gupta family and their influence over President Jacob Zuma (Pauw, *The President's Keeper* 2017)

<sup>2</sup> Modack is believed to run one of Cape Town's biggest extortion rackets (Hyman 2018)

<sup>3</sup> Ongoing investigations have revealed large procurement irregularities and gross negligence. This case has been linked to Gupta involvement (Myburgh 2018)

As recent cases from South Africa and abroad have revealed, organised crime has become endemic to South African society. The difficulty in understanding modern day organised criminal activity is exacerbated by the fact that we can no longer pretend that leaders of criminal organisations are merely 'criminals' distinct from 'ordinary citizens', but equally so we face the challenge of comprehending the extent of state involvement in organised crime. Organised criminals can also assume identities of state personnel, politicians, policemen and powerful businessmen (Goga 2014). As argued in a report of the Council of Europe, "[t]he signs of collusion between the criminal class and the highest political and institutional office holders are too numerous and too serious to be ignored" (The Guardian 2010), which blurs the distinction between criminal activity and political activity. Fundamentally, the fight against crime, but more specifically organised crime, can no longer be solely conceptualised as a fight against criminals, as they have been traditionally conceived of, but a fight against *criminal networks*.

Traditional tools to fight crime, such as the western penal system that includes police, prosecution and courts, that abide by the former assumption have proven inadequate to fully apprehend and hence curb modern crime (Arias 2006, Goga 2014, Standing 2003). Standing (2003) explores how traditional tools that allocate characteristics of 'anti-social' and 'alien' towards actors of organised crime not only simplify but ignores all the harsh, social realities faced by large proportions of society. For example, traditional approaches that have avoided examining the relationship and network between state and organised crime fail to understand how these groups operate to maintain their resources and power. Organised crime impacted against imbedded social and economic inequalities consequently has harsh effects against the horizontal trust between citizens and the vertical trust for political and legal institutions (Putnam 1993). Putnam theorises that effective horizontal and vertical trust positively correlates towards deepening democracy. Approaches to organised crime therefore require a methodological approach that highlights the complicated relationships and networks sustaining organised crime. To understand the nature and operations of organised crime we need to start understanding organised crime as outcomes of criminal networks spread across communities, cities, and countries creating webs that link a dynamic range of people, businesses and

organisations that work together to sustain and profit off organised criminal activity.

Traditional academic material, produced by authors like Cressey (1969) and Finckenauer (2005), provide orthodox accounts of organised crime that tend to assume that organised criminal groups and street gangs threaten, defy and confront the state. This will be expanded upon in chapter one and two. According to these studies, like those conducted on *La Costa Nosta*, the State is depicted as a homogenous entity that wields all authority and capacity to maintain public safety, the rule of law and justice (Cressey 1969). In terms of national and social security, this includes a strong law enforcement response towards criminal entities that seek to corrupt and break the law. The deficiency of relying on this conceptualization of the state, which is depicted as being naturally anti-organised crime in nature and action, is idealistic. (Lambrechts 2013). Lambrechts (2013) explains how the concept of the state historically derives from a Weberian notion (Weber 1965), that centres around a state being a sovereign entity with monopoly over authoritative control, force, territory and the rule of law. A state is therefore the foundation of legitimacy in which social control and function manifests and is thus traditionally regarded as "the most important actor in the local sphere" (Lambrechts 2013, 1). This follows a Westphalia conception of state and crime, which has been adhered to worldwide when understanding the international law of state sovereignty and the underlying principles of modern state systems. Following Weber, this conception assumes that the state is the primary agent in institutional and inter-state relational systems, has monopoly over violence and is the enforcer of rule of law and the justice system, (Weber 1965).

However, although the state still officially holds this position in society, research shows that the relationship between state and organised crime is not always one of conflict and friction as it formally appears to be. In many cases it has been found that the state and organised criminal entities share alliances and mutual interests within the underworld (Pauw 2017). Whether a criminal entity has co-opted and infiltrated state institutions to achieve unlawful gains or politicians garner relationships with criminal entities to gain exclusive and unlawful benefits or community support, these alliances work to undermine state capacity while strengthening criminal activity, enterprise and the longevity of the illicit economy. This

relationship between state and criminal entities can be described as Co-opted State Reconfiguration (CStR) or *state capture*. CStR is a concept used to describe unlawful groups reaching agreements with authorities to infiltrate state institutions, which in turn allows criminal groups to continue their illicit operations with impunity (Salcedo-Albaran 2010). It can also be used to describe the reverse when authorities and statesmen establish allegiances with criminal entities. Both cases see the manipulation of legitimate institutions to gain unlawful or questionable benefits. Additionally, both cases see the manipulation of political, cultural and criminal objections to obtain social legitimacy. CStR is highly detrimental to the functioning of democracy and the rule of law and can be one of the most dangerous consequences of organised crime. The results could see tax revenue denials with disastrous effects on the economy, de-facto loss of governmental control of certain areas, police being replaced by gangs, and impunity of criminal activities (Pauw 2017). The further criminal entities and state entities are embedded within one another the more impossible it becomes to dismantle crime and corruption and maintain the legitimacy and functioning of the state.

Recent developments in South Africa have made the term 'state capture' a hot topic with the unearthing of the Gupta families influence on State personnel<sup>4</sup>. As current investigations have revealed, the Gupta family have been extensively linked to state capture, and specifically to having improper influence over President Jacob Zuma and his family, to which they significantly benefitted financially. Former public prosecutor Thuli Mandosela released a report titled *State of Capture*, which investigated and suggested unethical conduct by Zuma and State personnel as well as the unethical influence the Gupta family had in appointing cabinet ministers that could then lead to State awarded contracts and business ventures (Mandosela 2014). CStR, as a consequence of organised crime, recognises a dynamic array of participants from both the illicit and licit

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<sup>4</sup> The Gupta Family are an Indian-born family who relocated to South Africa in 1990s. They have been closely connected to South African President Jacob Zuma and cabinet members. The Gupta's became media headlines when it was uncovered that they had used political connections to win a contract with Eskom, despite not meeting any of the standards required to supply coal to Eskom. It was also found that the Gupta's donated large sums of money to the ANC and had active roles in appointing cabinet ministers that would grant them easier access to business opportunities, such as Eskom tenures. See Pauw's *The President's Keeper*, for an in-depth case study.

sector or society, the blurring of the legal and illegal economy and the functioning of criminal networks that bring all of these together.

As reviewed above, orthodox models that primarily distinguished the criminal world as 'isolated' and existing on the 'outskirts of society', remain inadequate to understand the nuances of organized crime. Standing refers to this as the 'parasitic model' (Standing 2006). He writes that this name conceptualises "not only the nature and genesis of criminal groups, but also the perceived relationship between organised crime, the legal economy and the state" (Standing 2006, 58). As explored by Standing, South Africa's dominant conception of organised crime is significantly orthodox and very similar to that of scholars and policymakers in the United States of America (USA) (Standing 2006). It is argued that South Africa has been heavily influenced by American policy and rhetoric towards organised crime and that their reliance on the parasitic model contributes to the 'American story' of crime prevention (Standing 2006). Despite efforts to curb organised crime, it has been evident that penetrating these groups has remained a national challenge. Therefore, it is crucial to analyse the context within which crime exists within South Africa and whether a new framework of conceptualising organised crime may assist in penetrating the illicit economy and activities. This will be explored in chapter four through two case studies of criminal networks in the Western Cape.

If a network understanding of organised crime reveals assistance of the State in illicit activity, then we can understand o-opted State Reconfiguration both as a cause, consequence and manifestation of organised crime. It is for these reasons that this thesis will explore two case studies in which to assess the theory of *network* and *social network analysis* against. Although there is a wealth of research on the effects of organised criminal groups on state security, the economy and social wellbeing much of this research within South Africa fails to create adequate analytical frameworks that help understand the core driving factors behind the manifestation of organised crime and its ability to create and sustain pockets of criminal governance and intricate networks. The theory of *network* and *social network analysis* towards organized crime is certainly not new and has gained high momentum with vast literature being produced internationally. However, South Africa still relies on a small pocket of think tanks and academics and the need for wider

exploration and analyses towards the local context remains. The two case studies shall provide an analysis of Glen Agliotti and Mark Lifman, two key individuals that have been associated with major criminal networks in the recent years. The intent is to conclude what these networks look like, who is involved, how they operate and what type of relations organised criminals share with the State.

It is the hope that this thesis can contribute towards current debates on organised crime, specifically on how organised crime has shifted from an understanding of *hierarchy* to one of a *network*.

## **Research Question**

As explored by Arias (2006), the dynamics of criminal networks is significant in the creation and sustenance of criminal governance and demands greater analyses. The perpetuation of crime and violence can be linked to criminal networks that bring the state, civic society, police and criminals together (Arias 2006). Combating organised crime will therefore rely on understanding the workings of social systems and the economy that help sustain it. As argued by Goredema and Goga (2014, 3), "if the various stakeholders are to be more effective in confronting organised crime, they have to better understand both the essence of criminal networking and the concept of criminal governance" (Goredema 2014, 3). Therefore, to appropriately gauge how organised crime should be conceptualised in South Africa, but more specifically the Western Cape, we need a firm understanding of the context in which organised crime exists and operates.

Hence, the overriding critical questions that this thesis addresses are: **'How does the concept of 'criminal networks' assist in analysing organised crime's structure, mode of operation and longevity?'**, and, **'What significance does social network analyses contribute both theoretically and empirically to our understanding of organised crime?'**

Clarifying these questions exposes some significant shortfalls in earlier criminological approaches that study crime as distinct from regular state activity. Therefore, successive questions this thesis shall address are:

**What are the contexts and components of organized crime in South Africa?**

## **What is the relationship between corruption of the State and organised crime?**

These questions will prompt an exploration of how South Africa's political transition, from apartheid to democracy in 1994, affected South Africa and opened social, economic and cultural spaces that never existed prior to the transition. These changes had clear implications towards the impact and evolution of organised crime and criminality in South Africa. Although this transition had an obvious impact in the evolution of organised crime, it remains an issue that is still inadequately explored or understood. However, organised crime remains one of South Africa's most troubling factors post our 1994 transition making the above questions pertinent to explore.

## **Methodology**

The focal point of this dissertation is understanding the persistent issue of organised crime penetrating South Africa and the growing alliances between the state and crime. As it is the position of this dissertation that orthodox approaches towards understanding organised crime are outdated and ineffective, a deeper understanding of this issue requires developing an understanding of how the concept of 'criminal networks' will assist in analysing organised crime's structure, modes of operation and longevity. Additionally, it is also crucial to analyse the context within which crime exists within South Africa and whether a new framework of conceptualising organised crime may assist in penetrating the illicit economy and activities. Therefore, to conduct this analysis reputable resources, namely peer reviewed academic articles, academic journals, books, and media sources, will be used. These resources will build an understanding of the development of conceptual models of organised crime as well as the context in which organised crime exists within South Africa to conclude which framework is best suited to comprehend and act against the phenomena of organised crime.

Social Network Analyses (SNA) will then be used as a methodological tool in which to explore two local case studies in which to assess the theory of *network* and *social network analysis* against. SNA will be applied to each case study to map out interactions between actors in the organised criminal groups to create a visual representation of the networks.

Relying on evidence produced by journalists, strategic relationships and inter-dependencies that flow between connected actors will be mapped out and explored to depict how organised criminal groups function as social networks and have ties to the state. It must be noted that relying on media sources to feed a SNA approach does come with limitations. It would be naive to assume that a journalist knows the full, inside picture of relationships and activities between suspected criminals, and therefore often our understanding and created picture or network is incomplete. Collecting information to understanding the ties and actors also takes a lot of time and requires a lengthy examination of multiple resources to verify information and possibly fill in significant blanks.

## **Chapter Outline**

Chapter one will explore how the dominant conceptual model of organised crime developed. This review foregrounds understanding of how and where the discourse of organised crime has developed, making specific reference to Max Weber (1965), Donald Cressey (1969), Michael Woodiwiss (2001), Klaus Von Lampe (2001) and Andre Standing (2006). This chapter continues with a critical analysis of selected literature to explore how scholars have continued to develop the discourse of organised crime. As will be explored, dominant conceptions have been developed within mainstream discourse produced in the United States and Europe, which has had a large impact on how South Africa interacts with crime. This research allows us to question whether these dominant approaches are still relevant and useful within the South African context. What becomes notable is a shift in the discourse in how organised crime should be conceptualised. This new conceptualisation moves away from framing organised criminal groups as hierarchal, external to society, and alien, and begins to assess the form of criminal networks that sees criminal groups as social systems made up of dynamic actors and relationships.

Chapter two explores the conception of criminal networks and how such networks form the lifeline of organised crime's longevity and prosperity. A conceptual framework is required to most adequately ground the conception of organised crime as a criminal network. This dissertation will adopt a Social Network Analysis (SNA) approach grounded in the belief that 'networks' should be the dominant lens through which crime is seen.

A review of how SNA facilitates our understanding of organised crime will be conducted, as well as an analysis of its most apparent strengths and weaknesses.

Chapter three will explore organised crime in South Africa and its two evolutions. The first evolution focuses on organised crime during the colonial and apartheid era and the second evolution analyses organised crime post-1994. The purpose behind building a strong historical context is to show that organised crime did exist prior to South Africa's 1994 transition. During the colonial era historical literature gives evidence of gun, diamond and gold smuggling networks operated by gangs (Storey 2008). During the apartheid era, illegal trade of rhino horn that involved poachers, community members and the South African government was also rampant, (Lunstrum 2014). Recognizing how colonial South Africa and the apartheid era contributed towards the foundations of organised crime is also an important foregrounding towards understanding and then addressing organised crime in the country. Structural oppressive conditions have survived the eradication of apartheid and continue to flourish in democracy, such as social inequality, class and race division and high unemployment and poverty (Goga 2014, Cilliers 2016, Pinnock 2016). Any theory being generated to help understand and prevent organised crime needs to include a historical, structural and social dimension. A reliance on orthodox, US centric discourses veers us away from this direction as it emphasizes approaching the crisis of organised crime through a law-enforcement lens with less emphasis on the historical mechanisms at play that induce acts and the normalisation of crime.

With an understanding of how crime operates and sustains itself within South Africa, Chapter four explores two case studies of criminal networks within the Western Cape. These case studies look at the alleged criminal networks surrounding Glen Agliotti and Mark Lifman: two prominent and influential figures that have been associated with South Africa's 'underworld' scene. What comes to the forefront of these studies is that these organisations are not hierarchal in nature and are not external to society and state. It becomes evident that organised criminal groups need to be conceptualised as criminal networks, with SNA being the most appropriate tool to explain how these networks function and operate.

## **Chapter 1: A Historical Review of Organised Crime: The Development of Organised Crime and the Orthodox Model**

The intention of this thesis is to explore how and why organised crime may benefit from a deeper understanding of criminal networks and the theory of social network analyses (SNA). These concepts are not new to criminology and have already garnered significant traction, particularly in the Northern hemisphere. However, there are historical components surrounding organised crime that first need to be discussed to cement a firm understanding of how and where popular approaches to crime have originated from and why there is a need to support newer approaches. This chapter will explore how the orthodox model of understanding organised crime has been developed and how this specific model limits our conception of organised crime and subsequently, our ability to critically engage with the phenomena of criminal networks.

Despite the lack of a universally accepted definition of organised crime, the historical development of the concept has given way to several orthodox approaches and frameworks that have had considerable effects in shaping policy and understanding of this subject. These conceptions have been developed primarily within the USA, which has led to Andre Standing (2003, 2006) referring to the 'Americanisation' of understandings of organised crime. As will be explored, the 'Americanisation' of organised crime has perpetuated an orthodox model that may no longer be relevant to current operations of organised crime. After a brief historical account of the development of official discourse on organised crime, the chapter shall critically assess some of the dominant theories used to make sense of organised crime. These theories will include: 'alien conspiracy theory', 'the parasitic model', 'organisational theory', as well as 'market model' and 'patron-client model'.

### **1.1 Historical Development: A Review of 'Orthodox Models' of Organised Crime**

Von Lampe (2001) places the first conception of organised crime outside of Chicago in 1919. A civic organisation, comprised of bankers, businessmen and lawyers, established the Chicago Crime Commission with the incentive to create changes within the criminal justice system to better

cope with the issue of crime. The concept of organised crime was not used to refer to '*criminal organisations*' but rather a recognised '*criminal class*' who gained income through various criminal endeavours (Von Lampe, 2001). Prior to World War Two, the term 'organised crime' continued to be loosely defined among academics and policy advisors. This can be seen in the 1929 Wickersham Commission, established during the Hoover presidency that was established to investigate criminal activity in the United States, particularly relating to the prohibition. Under the definition of 'organised crime', the Commission understood organised crime to be something enacted by various actors in the US, including legitimate businesses, police and politicians. The Commission states:

...the criminal frauds which cause the largest losses are organized schemes, carried on as a regular business.... (They) shade off by imperceptible degrees into enterprises that are so conducted as to avoid criminal liability... and the line between criminal and no criminal activity is thus frequently a rather arbitrary one, (Wickerman Commission 1931).

Thus, the Commission used the label 'organised crime' to describe the arbitrary and blurred line often found between legitimate and criminal business. Although this premise is now one of the grounding concepts within organised crime studies, it was then believed to be invalid. Post-World War Two, the concept of organised crime evolved. One of the most significant shifts was that organised criminals and officials within the public sector were understood as distinct groups that opposed one another, dissolving any grey area shared between them. Secondly, criminals were no longer viewed as a "criminal class" but as individual "racketeers" and "mobsters" working in organised "syndicates" under the leadership of a crime boss (Von Lampe 2001). These two shifts are significant as they reflect an emphasis on a specific hierarchical structure behind organised crime and an alienation of criminal business and the illicit economy from the rest of society.

Viewing organised crime as hierarchical, external and foreign was further legitimised by criminologist, Donald Cressey, whose ground-breaking study of *La Cosa Nosta*, an American mafia group of Sicilian descent, had lasting effects on the normativity and definition of organised crime (Cressey 1969). Cressey's theory of organised crime revolved around the bureaucratic model that saw key attributes of bureaucracy to formulate

organised crime: pyramid-shaped, a strict hierarchy with division of task, codes of conduct and internal and external sanctions (Cressey 1969). Cressey viewed *La Cosa Nostra* as an institution functioning around centralized planning, strict membership and austere principles, using the approach of organisational theory to distinguish organised crime from other forms of criminal groups. Standing (2006) likens Cressey's depiction to that of Weber's bureaucracy theory. Weber (1965) maintained that bureaucracy is the most formal system of organisation and the ideal model for efficacy, effectiveness and management. For Weber, an effective bureaucracy was one of a clear hierarchical structure, division of labour, with strict principles and impersonal relations, (Weber 1965). Cressey argued that the term 'organised crime' should only be used to describe complex organisations like those that Weber depicts and should not be used on any less developed groups, such as informal street gangs.

Cressey's characterisation did not go uncriticised. Writing in 1973, criminologist John Mack argued that such a definition that disregarded more informal modes of crime from the concept of 'organised crime' was incoherent, (Mack 1973). He questioned why organised crime continued to persist, despite attempts to investigate and crush it, and why investigations into organised crime depleted once the notions of 'mafia' died away? Aligning organised crime solely to the concept of 'mafia' endangered a recognition of other methods of organised crime. Nonetheless, Cressey's theory had profound effects on establishing the definitional and normative model of organised crime being foreign (or external to society) and hierarchical in nature. Albin (1998) emphasises this by noting that the traditional conception of organised crime came to be referred to as the "Cressey Model", highlighting how influential he has been to the study and theorisation of organised crime.

The 1980s saw additional developments to the orthodox model of organised crime with the inclusion of the 'alien conspiracy theory', a theory that sees organised crime as a conspiracy driven by 'outsiders' and 'foreigners' who pose a threat to open democracy. The catalyst of this can be linked to the Kaufman Commission, which was created to examine and review traditional models of organised crime as well as new emerging criminal groups seen to rival *La Cosa Nostra*. In relation to this, Standing (2006) argues that this Commission saw the fusing of the 'alien conspiracy

model' into the conception of organised crime by identifying actors of organised crime within a homogenous grouping, based on markers of ethnicity and foreignness. This approach to organised crime was premised on the fact that it was not Americans that were dominating racketeering within the United States but that distinct groups of foreign outsiders were infiltrating this market. These foreign groups were recognised as ethnically and culturally homogenous and were labelled accordingly, such as 'The Mexicans' and 'The Russians'. This gave credence to the 'alien conspiracy theory' that saw organised crime as a threat enacted by foreign powers. One of the consequences of this conspiracy is that it perpetuated a partisan narrative of state vs. outside threat. This narrative drove away immediate investigation into relations between criminal and state entities.

The development of an orthodox approach towards organised crime has resulted in situating the phenomenon of organised crime within a sinister realm, isolated from main stream society and politics. Standing (2006) refers to this as the 'parasitic model' and argues that it dominates much of today's framing of the discourse as well as initiatives to eradicate it.

## **1.2 Limitations of the Orthodox Model**

As the nature of organised crime changed over time, so did scholars' analytical frameworks. Standing (2006) argues that the core assumptions of the orthodox model, that relies on the basic principles of bureaucracy, failed to address the root causes and structural factors that drive organised crime. For example, traditional models that focused on individuals and groups gave little recognition to the *environment* in which organised crime manifested. It is Standing's contention that structural environment, which relates to the political, socio-economic, and cultural factors that have built and effected that environment, plays a crucial role in developing and sustaining organised crime. Therefore, any efforts to eradicate organised crime would need to understand and address the structural and environmental factors in which it exists, such as poverty, high unemployment and the complex networks that arise between criminal entities, community members, businessmen and statesmen for survival.

Likewise, Woodiwiss (2001) believes that the Mafia Paradigm model is unable to address criminal behaviour and may have negative implications that affect social stability. Harsh law enforcement responses in high crime

areas often cause distrust and resentment by community members who feel neglected by the state and therefore come to rely on or are sympathetic towards criminal entities. Hobbs (2002) contributes to this observation by remarking that the attachment to the 'alien conspiracy theory' evident in the orthodox conception of organised crime can be recognised by an evident refusal by states to embrace the degree to which organised crime is embedded into society. Instead, dominant discourse prefers to rely on the 'alien conspiracy' approach that sees the issue as a transnational phenomenon involving cross-border activity. This creates the conception that organised crime is not a local initiation and that state plays no role in fostering illicit activities. As explained by Potter (1994), "to suggest that righteous citizens are being perverted, intimidated, and forced into vice by alien forces is far more palatable than suggesting that "native" demands for illicit drugs, sex, and gambling invite the creation of organised crime groups" (Potter 1994, 10).

Traditional policy adhering to an orthodox approach, tends to focus on eradicating organised crime by focusing a spotlight on policing methods rather than recognising the structural issues behind the causes of organised crime, as well as inefficiency of state capacity and function (Goga 2014). Indeed, criminal justice is often viewed as the strongest deterrent to crime (Fisher 1997). Of concern to Fisher and Friedman however, is whether the growing network of the criminal justice system, comprised of judges, courts, prisons and police, is having a substantial effect on deterring crime. Looking at the criminal justice system in the United States, they argue that the expansion of prisons and the very act of imprisonment is a failed tactic in crime deterrence. Apart from the argument of the high economic costs behind incarceration, prisons have become notoriously referred to as 'crime colleges' and 'seminaries of vice', giving momentum to the theory that prisons perpetuate crime (Fisher 1997). It is not uncommon to hear the opinion that a person may enter prison as a petty thief and be released as a skilled criminal and gangster. Recidivism statistics in a study conducted in the United States suggest that within three years of release approximately two-thirds of inmates reoffend and are rearrested (Office of Justice Programs 2014). Prisons in effect often become a key node in organised criminal networks.

Johnny Steinberg's novel, *The Number*, highlights just this. His work stands as a sound case study in how South African gangs formulate and thrive

within prisons. It is within the walls of Pollsmoor and other correctional facilities that relationships and networks are formed and carried beyond the walls of prison (Steinberg 2005). For example, Numbers Gangs are no longer limited to the walls of prisons but have transformed with the times. Rituals and initiation methods have changed (previously denying Numbers membership outside prisons), as has the illicit business and economy associated alongside Numbers members. Members of number gangs exist in various (and often competing) gangs outside prison walls, like the *Hard Livings* and the *Americans*, and play active roles in organised crime. One study that begins to explain such complex dynamics is the case of Protection Racketeers in Cape Town's central business district conducted by Salcedo-Albaran, Goga and Goredema (2014). This study found prominent gang members involved in a complex protection racket involving various strongmen, gang soldiers, and businessmen operating in both lawful and illegal sectors of society highlighting complex networks growing between the underworld and common society.

In fact, there is no evidence to substantiate that harsher punitive action deters crime at all. Leaning on the infamous *Constitutional court Case S v Makwanyane, (1995)* and 277(1) of the Criminal procedure Act, it was found by the court that no clear proof indicated that capital punishment ever served effectively to deter murder. With strong evidence to suggest that incarceration can and does indeed exacerbate crime, with repeat offending becoming the norm, relying on the criminal justice system as a foundational tactic towards conquering organised crime may seem futile. However, it is difficult to sway penal policy away from a criminal justice focus. This is partly due to government officials not wanting to appear to be adopting a soft stance and response towards criminals and drugs (Fisher 1997). The rhetoric of the "war against drugs" and the "war against crime" has gained a strong narrative within policy and political strategy, which only increases draconian measures, a swell in incarceration rates and further stepping away from addressing the social predation of organised crime, criminal networks and criminal governance. However, orthodox approaches feed directly into these methods. Orthodox models that perpetuate sentiments like the 'alien-theory' and make 'criminals' identifiable as 'others' and 'external', but more so, 'reformable' all play into the penal policy approaches that exuberates crime.

Von Lampe (2001) assesses how the development of organised crime and the 'alien conspiracy theory' has resulted in dominant imagery of organised criminals being ethnic minorities that are prototypically foreign (Von Lampe 2001). The implications of this are twofold: 1) it leads to *othering*, and 2) it individualizes culpability creating blind spots towards larger criminal networks with criminals that may not fit the stereotype image, allowing them to remain under the radar. This also works to detract from the broader structural violence that may have created the environment in which crime is attractive and rampant. In relation to the first point, one can note the influence of this perception within popular culture. The critically acclaimed feature film *The Godfather*, had a significant impact on creating the stereotype of Mafia groups being Italian immigrants. This stereotype has been perpetuated with close to 300 films being created since, all depicting mobsters to be Italian Americans (Gambino 2012). Similarly, within the context of South Africa, popular culture and discourse surrounding organised crime is dominated by the image of a hardened, male, *coloured*<sup>5</sup> gangster originating from the shadows of the *Cape Flats*<sup>6</sup> (Standing 2006, Steinberg 2005, Pollock 2016). Interestingly, South African gangster films also mimic mafia imagery. Films such as *Four Corners* portray local gangsters using mafia expressions such as 'salute'.

Yet, the application of 'aliens' and 'outsiders' towards criminals of organised crime perpetuates a discourse of 'othering,' which can have effect of misdiagnosing the issue. In relation to the second point, there is a neglect of any specific focus on structural, historical and environmental factors driving criminal governance and networks. The 'criminal identity' becomes positioned within an assumption that criminals engage in criminal activities because they are inherently different to mainstream society, lacking the moral fibre and respect for rule and law that 'normal' citizens live by. This enhances sentiments that criminals are delinquent by nature and that 'white collar' citizens would not engage in criminal activity, which further propagates a view of criminal entities as peripheral to mainstream

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<sup>5</sup> During Apartheid, the Populations Registrations Act used the term '*Coloured*' to identify persons of 'mixed race'. Although this Act was repealed in 1991, the racial category has remained ingrained in South African culture

<sup>6</sup> The Cape Flats refers to expansive, low-lying area on the outskirts of Cape Town's Central Business District. During Apartheid, many non-white people were forcibly removed out of 'White Only Areas', based on the 1950 Group Areas Act, and forced to live in the Cape Flats.

society. The result is a view towards crime and punishment that individualizes social pathologies and places the onus on individuals to reform.

Adamoli et al (1998) provides additional commentary suggesting orthodox conceptions do not consider the changes taking place with globalisation. Globalisation has spurred an interconnectedness changing the way criminals conduct their business. It has become prevalent that to survive, groups may have to work together rather than working in isolation. The orthodox model does not inspire much engagement with the idea of criminal networking which is a significant phenomenon found within organised crime, (Goga 2014). A wider analysis of organised crime is therefore needed, especially to understand and eradicate the phenomena of criminal governance and networks that breed from organised crime. As will be explored, Social Network Analysis (SNA) opens profound doors towards understanding how networks function, what characteristics they may have and may foster frameworks towards moving away from merely descriptive understandings of organised crime and venturing deeper into theory-testing studies.

### **1.3 Alternative Approaches to Organised Crime: Hierarchical vs. Network**

Rival understandings of organised crime have led to alternative theorisation of organised crime models that lean away from relying on orthodox characteristics mentioned previously. Most notable are the 'Market', 'Network' and 'Patron-client' models. The Market-Model, pioneered by Peter Reuter, was developed using market economy theory. This model is framed by an understanding of the objectives and entrepreneurial nature of a criminal group, which seems to follow economic rationale characterised by competition. Reuter believed crime to be coordinated along economic considerations making the market a key force in shaping the organisation of crime, (Reuter 1983). This is unlike Cressey's theory that the more organised and structurally advanced a criminal group becomes, the more bureaucratic they will become. As Weber (1965) asserted, bureaucracy is believed to be the ultimate form of efficiency and organisation.

The 'Network Model' also steers away from Cressey's notion of hierarchical structure. This is because a hierarchical structure is deemed as easily

detectable and therefore precarious. This model sees the structure of organised crime as more fluid, flexible and responsive with an ease of movement between the licit and illicit sector based on the creation and sustenance of networks. There is interconnectedness rather than multi-tiered command or central authority. One of the consequences of the orthodox approach was the formation of a traditional perception of the interactions between criminal and legitimate entities. This perception saw criminal entities exploiting and forcing their way into legitimate sectors of the economy with legitimate actors not standing a chance of defence as the methods of criminals were too formidable and powerful, (Giguere 2006). However, alternative approaches that move away from the assumption of the over-powering, predatory nature of criminals, choose to focus on the symbiotic nature of relationships that may be formed willingly between criminals and public figures. The Patron-Client model or using a Social Network Theory approach, as advanced by scholar's Carlo Morselli and Cynthia Giguere and Anine Kriegler, considers these symbiotic social relationships. Both these approaches look at relationships between group members, the individuals to which they are supplying illegal goods and services and those that participate in the production, movement and management of the illicit economy. For example, in Morselli and Giguere's study on legitimate world actors involved in crime in the United States, they critiqued orthodox frameworks that placed legitimate actors under the control of criminal figures (Giguere 2006). However, when assessing drug distribution networks in cities such as Seattle and New York, it became evident that symbiotic relationships were formed between the 'upper' and 'under' world. This highlights how crime is intrinsically linked to a social system and that relationships form between criminal and public entrepreneurs that grant impunity and the maintenance of criminal networks and operations.

#### **1.4 Global Approaches to Organised Crime: Theory and Case from the USA, Europe and South Africa**

Having reviewed the historical development of organised crime, we can now start to explore its position in current times: how it is now defined and framed. Most academics and policy advisors agree that the concept of

organised crime remains unclear with no set universal definition in place. This is partly due to the complexity of competing models of organised crime highlighting varying contexts and variables that are perceived to best characterize it. An example of the extensive forms of organised crime is Von Lampe's (2001) identification of over 160 definitions of organised crime. This indicates how the concept not only varies within international boundaries but even within a state or region. It is not the intention of this section to consolidate a foundational definition but to explore influential definitions that are and have been used by authoritative bodies and what consequences these contributions have had on the discourse of organised crime. One of the most profound consequences is the orthodox assumption that successful organised groups should adhere to bureaucratic structures, eliminating the phenomenon of networks.

The diversity in both understanding and characterising the concept of organised crime has led to the development of various theoretical models of organised crime. Different models of organised crime (such as Hierarchical and Market) most commonly identify what crimes and types of groups constitutes as 'organised' and how this organisation is structured. However, organised criminal groups worldwide do not adhere to one specific behavioural paradigm. Therefore, one must contend that not only is it difficult to provide a standardised definition to understand organised crime, but some, like Sabrina Adamoli (1998) and Von Lampe (2001) have questioned whether such a task is necessary at all. Von Lampe (2001) suggests that a working definition will continue to be a laborious and perhaps useless task until theorists can build an understanding of the links and connections within the social universe that organised crime exists. Additionally, the development of intricate criminal networks has brought an array of legal and illegal actors together making it even harder to decipher where a 'group' ends or starts, what role one must play and how involved one has to be in the criminal activities at hand to be viewed as an organised criminal.

Vague interpretations of organised crime seem to have remained a common trend. In 2012, the Federal Bureau of Investigation (FBI) noted defining characteristics of organised crime to be the presence of a formal structure of 'some manner', an economic incentive driven through violence and the ability to have a varied scope of impact (Ott 2012). Their definition sees organised criminal groups as:

“...any group having some manner of a formalised structure and whose primary objective is to obtain money through illegal activities. Such groups maintain their position through the use of actual or threatened violence, corrupt public officials, graft, or extortion, and generally have a significant impact on the people in their locales, region, or the country as a whole...”  
(Ott 2012)

This definition indicates a broader definition than what was provided by Cressey whose account was narrower in scope, referring only to groups with strict hierarchy and bureaucratic structure. It suggests that the effects of organised crime can vary from affecting the area of a neighbourhood to an entire state, highlighting the diversity of scope and territory that organised crime operates within. This is useful as it implies that organised crime can be very diverse and context specific hinting to the different dynamics and therefore the need for various frameworks. One could therefore argue that attempting to find one general definition may not be so helpful. Additionally, this definition hints at the relationships that can be formed between criminal actors and public officials.

Some scholars such as Finckenauer (2005) remain orthodox in their approach and argue that the complexity in creating a standard definition of organised crime lies in the word 'organised'. Finckenauer associate's attributes of hierarchy, sophistication, authority, violence, a lacking ideology, corruption, and a strict membership as deciphers of 'organised'. He argues that it is these elements that make organised crime distinct from other criminal groups and activities. On the other hand, scholars such as Paoli, Greenfield and Reuter (2009) contest the bureaucratic organisational theory arguing that the very illegality of criminal business prevents the development of bureaucracy. Due to illegality, property and labour rights cannot be enforced and illicit products cannot be publicly marketed. Furthermore, syndicates are under constant threat of detection by police and state. For this reason, criminal groups must organise themselves in a way that minimises risk of detection. After conducting a five-year long research project with extensive fieldwork in Asia, Colombia and Turkey, Paoli, Greenfield and Reuter (2009) concluded that empirical evidence suggests minimal chances of cutting down the global supply of the heroin market. The development and structure of these markets as

well as its participants have made close to all initiatives to suppress the flow and supply of heroin unsuccessful, despite billions of dollars if investment into such initiations. Relying on intricate network structures as well as effective illegality of the heroin market helps to explain how these countries participate in heroin trafficking and how it remains active and profitable (Letizia Paoli 2009). Therefore, organising business through kinship and friendship networks becomes more profitable than a bureaucratic structure (Letizia Paoli 2009). This argument starts to lean towards a recognition of criminal networks as constituting manifestations of 'organised crime'. This shift from characterising the structure of organised crime from hierarchical and centralised to flexible and decentralized has been gaining more momentum and will be explored later in this chapter.

South Africa's dominant conception of organised crime can be identified as sharing key characteristics of the orthodox view. It is argued that South Africa has been heavily influenced by American policy and discourse towards organised crime and that its reliance on an orthodox model of organised crime contributes to the 'American story' of crime prevention (Standing 2006). However, Standing (2003) stresses that the empirical evidence to support this outlook is vague. At a functional level, looking at South Africa's leading policies on organised crime shows strong parallels towards US policy initiatives. A classic example is the 1998 adoption of the Prevention of Organised Crime Act (POCA), which saw South Africa taking a strong stance against crime. POCA is likened to that of the Racketeer Influenced and Corrupt Organisations Act (RICO), which was introduced in the US in the 1960s. POCA was introduced under the opinion that South African statutory law was failing to have any significant effect on combating organised crime, money laundering, racketeering and criminal gang activities. POCA stresses a focus on law enforcement initiatives to combat crime seeing organised crime as a threat to national security. However, there is criticism towards South Africa's policy approaches to organised crime arguing that there needs to be greater theorisation, conceptualisation and revision of organised crime, (Standing 2006, Lambrechts 2013, Goga 2014). Standing (2006) refers to this orthodox model as the 'Parasitic Model'. This conception sees organised crime as a distinct entity, predatory in nature, is a threat to national security, involves culturally homogenous actors, and can be defeated to make a crime-free society (Standing 2006).

As reviewed above, a large extent of traditional literature locates the organisation of organised crime within a hierarchical and bureaucratic structure. Super (2016) reasons that the 'slippery' and 'fuzzy' concept of organised crime makes it difficult to comprehend and identify what organised crime is as well as who is an organised criminal. Standing (2003) eloquently sums up the core issue stating that "organised crime has become a muddled analytical concept in mainstream discourse due to a combination of poor empirical research and popular misconceptions about notorious crime groups such as the American Mafia" (1).

South Africa too has adopted a 'fuzzy' conceptualisation of organised crime. When reviewing POCA, no definition is granted for the term 'organised crime', despite this term being the dominant label in the name of the act. Rather, the term 'criminal gang' is used to refer to:

"...any formal or informal ongoing organisation, association, or group of three or more persons, which has as one of its activities the commission of one or more criminal offenses, which has an identifiable name or identifying sign or symbol, and whose members individually or collectively engage in or have engaged in a pattern of criminal gang activity"  
(Prevention of Organised Crime Act 1998)

Scholars like Shaw (2002) dismiss this as a founding feature and argues that criminal groups are organised in a more informal and flexible way, as a decentralised structure allows them to acclimatise to opportunities and unpredictable change. Additionally, scholars like Standing (2006) and Kinnes (2000) dispute the claim, inherent to the orthodox view, that street gangs do not fit the definition of 'organised criminal group' and hence, they call for an inclusion of street gangs when conceptualising organised criminal groups. It is their belief that street gangs are becoming restructured into organised businesses making the link between crime and gangs undisputable. Looking at the case of street gangs in the Western Cape, Kinnes (2000) shows how street gang operations have changed as the political context of South Africa changed. A transition from apartheid to democracy brought with it a relax on social controls. This in turn grew and strengthened illegitimate opportunity structures. Street gangs no longer were confined to conducting business within the geographical

boundaries of South Africa but could grow distribution networks abroad. The fact that international syndicate groups, such as the Moroccans and Russians, have also set up operations within the Western Cape further verifies the strong existence of illegitimate opportunity structures.

Thus, the above example demonstrates Kinnes' (2000) claim that,

"[s]treet gangs are no longer characterised by youngsters who hang around the streets of local communities to 'defend' the community from rival gangsters. They have developed into organised criminal empires" (3).

Like most organisations and movements, organised crime has shifted and changed with the times. Paoli (2008) locates globalization<sup>7</sup> as a leading contribution towards the changing nature of organisation and the flow of illegal markets in organised crime. Globalisation has connected domestic markets that were previously isolated from one another creating a greater challenge for governments to regulate the ever-expanding illicit markets. Additionally, the end of the Cold War also led to the opening of borders increasing an inter-connectedness between both legal and illegal markets. As will be discussed in chapter three, the opening of South Africa's border's post-apartheid had dramatic effects in the increase of the illicit drug market. Paoli (2008) points out the significance in the changing nature of organised crime as she argues these changes are not appropriately recognised in the definitions of organised crime that dominate the discourse. Instead of often describing specific characteristics, Paoli believes that "organized crime has become a convenient tool to express the anxieties of the general population about living in the ever more uncertain and insecure world of the late- or post-modern age" (Paoli 2008, 41). This post-modern insecurity has led to three manifestations of organised crime. Firstly, the idea of organised crime as being an external threat, labelled 'alien conspiracy' by critics, has gained momentum and is often visualised through the identity of the Italian Mafia operating in the United States. The second connotation is that organised crime remains ever vague, and thirdly, the transnational dimension of

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<sup>7</sup> The term 'globalization' is used to refer to an increase and relaxing in trade borders, greater access to information, faster communication methods and social media.

organised crime has become a focal point and strong association with the topic, feeding into perceptions of the 'external alien threat' and drawing attention away from local involvement in crime.

These manifestations do not draw the specific and necessary focus towards relationships existing between organised criminal structures and the state, which, this dissertation seeks to address, perpetuates crime and the illicit economy. These three traits have resulted in a serious gap in discourse on organised crime and the definitions adopted that now dominate the discourse. Von Lampe (2001) suggests that answering two critical questions may assist in narrowing down concepts that define organised crime, these questions being: 1.) how patterns of criminal cooperation emerge and transform, and 2.), how within these criminal structures positions of power develop that are not only relevant for the criminal structures themselves but for society in general' (Von Lampe 2001). These two questions require looking at the phenomena of criminal governance and criminal networks, which both play vital roles in sustaining and growing organised criminal activity. Adamoli et al (1998) suggest that perhaps the 'who' behind organised crime is less significant than the 'how', pushing the focus of questions around organised crime to: "How do organised criminal groups organise themselves to meet public demand? What are the parameters of organised crime groups? How can we best conceptualise the symbiotic relationship between organised criminals and others (organised businessmen, politicians and bureaucrats)?" (Sabrina Adamoli 1998, 10).

Von Lampe and Adamoli's questions carve away at an important direction that future research should follow that touches on the intricate nuances of organised crime. Rather than attempting to create a standardised definition based on size and activity, it may be more useful to explore what organised crime may offers citizens, that enhance its longevity? For example, studies conducted by Arias (2006) on the favela's of Rio de Janeiro reveal an element of patronage between criminal entities and community members. Drug traffickers have formed complex relationships among community members by providing economic incentives towards the sustenance of illicit activity. As state presence and resources remain largely dormant in these areas, having access to a form of economic enterprise becomes a method of survival for many. The consequence is that many community members will protect these networks as they feel

more reliable and stable than any state offerings (Arias 2006). Additionally, such research seeks to look deeper at how the State and other entities interact to not only define the parameters of organised crime groups but assist in illicit activities. Quintessentially, we need to start exploring the intricate networks that make up and sustain organised crime.

### **1.5 Conclusion**

This chapter has provided an overview of how the conception of organised crime was developed, ways in which various criminologists have approached organised crime and demonstrated that orthodox theory has largely ignored the saliency and contribution of *networks* towards the sustenance and growth of organised crime and criminal governance. As shown, these orthodox studies are more useful in depicting the actors involved in organised crime than depicting how they managed to sustain, operate and avoid criminal detection. However, as Lambrechts (2013) stated, they do not provide a clear conceptualisation of organised crime but stand as templates in which to understand certain aspects. Yet, it is vital to understand the nature and the way in which organised criminal groups form and flourish. Orthodox apprehensions locate criminal identities more than the nature of criminal activity.

It was found that orthodox frameworks that lean towards adopting a strong sense of 'othering' and homogenous criminal identity when creating a model of organised crime and its participants is detrimental to understanding the nature and causes behind criminal networks and governance. It also neglects placing any pressure on the state to take responsibility towards developing and resourcing violent communities. If anti-crime policy and action is void of considering historical context and structural environment that perpetuates organised crime, eradicating it will remain a losing challenge. The orthodox model does not place focus on these dimensions but emphasises enhancing policing methods and the criminal justice system to deal with the issue of organised crime, criminal governance and criminal networks. However, it is becoming more evident that orthodox understandings and the approaches and policies it encourages only acknowledges part of the problem. Shifting from characterising the structure of organised crime from hierarchical and centralised to flexible and decentralized has now become an attractive framework for criminologists.

What these varying models suggest is that "organised crime can be studied as both an objective, measurable phenomena, but also a subjective formation" (Lambrechts 2013, 93). This would suggest that an analysis of organised crime would benefit from a fusion of an objective and subjective understanding. This would involve re-conceptualising the orthodox model that has previously dominated the discourse of organised crime and contributing towards the growth of a social and network approach towards crime that recognises the dynamic actors, environments and circumstances in which crime prospers.

## **Chapter 2: Social Network Analyses Applied to Organised Crime: Conceptualising Organised Crime as “Criminal Networks”**

As the previous chapter revealed, there is a lack of clear conceptualisation on what constitutes ‘organised crime’. Through an analysis of arguments that ranged from ‘hierarchical’ to a ‘network’ understanding, it has been argued that in its contemporary manifestation in South Africa, organised crime is best conceptualised as a *network*. Understanding organised crime as a network may contribute towards innovative theory-testing that is needed within the study of organised crime. The very nature of organised crime makes the task of producing empirical research and in-depth case studies not only a very difficult one, but a dangerous one too, hence the limit in theory generated research and an overproduction of descriptive research. As will be explored, criminal networks form a crucial lifeline of organised crime. Although criminals often have resources, their unique legal and social positioning often means they cannot work in isolation but rely on creating relations and networks with other groups. The creation of such intricate networking sustains and protects long-term violent and illegal activity as well as legitimate business, governance and service delivery. Organised crime involves durable participation from various agents. This requires the establishment and sustenance of social relationships and ties. These social relationships can be viewed as *social networks* that, in the context of criminal governance, may have structural characteristics. It is these relationships and ties of various participating agents (whether lawful or unlawful) that make up criminal networks. Academic analysis of crime and policing has traditionally focused on the failure of state institutions as the commanding factor behind criminal activity and governance. However, Arias (2006) argues that there needs to be a closer analysis of networks that exist between criminals, civic leaders, police, politicians and community members.

As explained by Arias (2006), “[n]etworks help to bring together functionally differentiated actors who have diverse skills and experiences that can contribute to ongoing criminal activity” (Arias 2006, 318). These networks allow for the sustenance of criminal operations and governance within the areas that they operate as they build support among local community members and corrupted officials. Although state failure may provide opportunities for organised crime to develop with impunity,

criminal networks become a driving force behind criminal activity prospering and sustaining. For instance, Paoli (2008) locates the global expansion of organised crime as well as criminal networks to the surge in demand for drugs and other illegal products worldwide. To meet demand, existing criminal structures are driven to make alliances to attain contraband and other goods. These alliances can include thousands of individuals, groups and even state officials who are attracted to the illicit market due to the profits that can be made. The more actors involved, the harder it is to breach manufacturing and distribution especially if these activities are protected by corrupt officials willing to turn a blind eye or accept bribes or profits acquired.

## **2.1 'Criminal Networks' as a Shift from Hierarchical to a Social Network Approach**

As discussed, a growing trend in the discourse of organised crime is the acknowledgement that crime groups are operating in a less isolated fashion and are relying more on intricate networks, making the organisation more horizontal than vertical in character. Bouchard and Amirault (2013) note the rise in popularity and credence around the concept of 'network'. The rise in research and multi-panel discussions on illicit networks at credible events such as the American Society of Criminology's annual conference as well as international workshops dedicated to illicit networks and published works appearing in heavy-weight academic journals such as *Global Crime* provide reliable markers that this area of research is becoming rooted in criminology. Campana (2016) also notes an increase by scholars and practitioners in adopting a network approach by noting that the word 'network' has started to be included within the varying definitions of organized crime. However, like the difficulty scholars face in defining 'organised crime', Campana (2016) argues that the concept of 'network' faces a similar challenge:

"...is it a specific form of organisation or just a collection of actors and ties? Are these two perspectives on networks invariably intertwined or can we apply social network techniques while rejecting the notion of networks as a distinct form of organisation? To shore up the foundations of criminal network

research, it is vital to fully address this ambiguity. In addition, while the number of articles devoted to the study of criminal networks has undoubtedly increased in the recent past, a large proportion of them still remains descriptive in nature...", (Campana 2016, 1)

Despite the difficulty in how to most suitably define a 'network' this thesis will define networks as 'groups of entities that are related to one another'. Campana (2016) identifies two perspectives used to conceptualise networking and labels them as '*substantive*' and '*instrumental*'. Von Lampe (2001) highlights the tension that exists between these two conceptualisations and argues that the division between them is what fosters such misunderstanding among theorists. A substantive conceptualisation sees 'networks' as a distinct form of 'organisation'. This perspective evolved by means of opposition to orthodox perceptions that organisation and economic co-ordination can only take two forms: market and hierarchy. The 'market' vs. 'hierarchy' debate was popularised by Coase (1937) and Williamson (1973). The concept of 'network' therefore arose as a third alternative mode of organisation and economic exchange recognizing the diversity of organisation. Podolny and Page (1998) offer a prescribed definition of 'network' by viewing it as a distinct form of organisation that falls in line with the *substantive* perspective:

"We define a network form of organization as any collection of actors ( $N \geq 2$ ) that pursue repeated, enduring exchange relations with one another and, at the same time, lack a legitimate organizational authority to arbitrate and resolve dispute that may arise during the exchange" (Page 1998, 59)

Viewing networks as substantive was therefore adopted by criminologists to explain new modes and organising of criminal activity. As Williams (2001) writes, "there is a growing recognition that organised crime is increasingly operating through fluid network structures rather than more formal hierarchies" (Williams 2001, 62). However, Campana (2016) argues that the *substantive approach* lacks reflection of its limitations and with a close analysis against empirical research (albeit this itself is in short supply) such an approach does not catch the nature of contemporary criminal activities. For example, this perspective denies looking at hierarchies as its own network from which places such organised criminal groups out of focus. This is a fair point as one cannot assume that network

systems will always be the status quo. Campana (2016) goes on to argue that:

"...the reality is that such an approach is indeed very limiting and often hard to reconcile with real-world manifestations of criminal endeavours. It is precisely because our object of study is situated on an extended continuum ranging, as noted by Morselli (2009: 1), from 'a one-time partnership to execute a criminal venture' to a 'bureaucratic-like infrastructure that demands and enforces exclusivity on the actions and productivity of members' that we need a radically different approach to the study of criminal networks" (Campana 2016, 3).

Campana (2016) argues that instead of conceptualising networks as a distinct form of organisation, an instrumental approach is a stronger analytical tool to employ. This sees the existence of two specific entities within a network: actors (nodes) and relationships (ties). Campana (2016) turns to Wasserman and Faust (1994) who define a network as 'a finite set or sets of actors and the relation or relations defined on them' (p. 20). Social systems are seen through the relationships of the entities that make up the system. This approach, using nodes and actors, is also known as Social Network Analysis (SNA). With this approach, one can define a social network in even simpler terms: a set of nodes connected by ties. This dissertation will adopt an instrumental approach towards criminal networks by assessing the uses of SNA when conceptualising organised crime.

## **2.2 Social Network Analysis (SNA)**

SNA allows researchers to collect and arrange data in a relational way and then test it against a hypothesis. Bouchard and Amirault (2013) write that the use of SNA in criminology research is common. In fact, "the growing population of SNA scholars would probably expect that 'networks' are more than just a trend – once you adopt SNA, it inevitably becomes the main lens through which you see crime" (Amirault 2013, 119). SNA becomes a useful analytical tool to researchers interested in the social structure of organised criminal groups as it can efficiently describe relationships without *a priori* assumptions of how such relations should be structured.

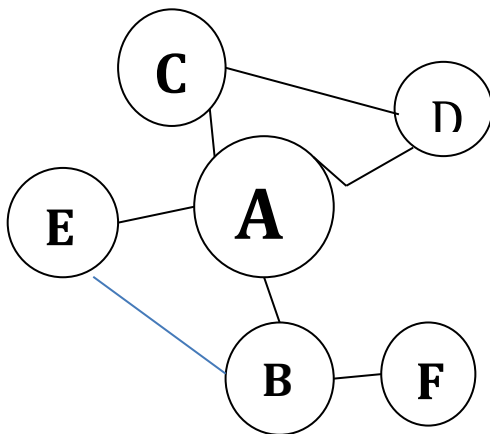
SNA has developed over the years from 'sociometry', initiated by psychiatrist, Jacob Moreno, in the 1930s as a method of mapping out individuals' relations and feelings towards one another. Stanley Milgram progressed this field in 1967 by asking random individuals to send out packages to acquaintances whom they felt were most likely to be connected to a certain target. This study developed the famous phrase 'six degrees of separation' in concluding that most people are connected by six acquaintances. Over the decades these methods to map out social relationships have been developed and sophisticated into what is now known as SNA. SNA has been used for years in various fields yet only recently has made its way into the field of criminology. Most theorists however foresee that a social network approach towards crime will become the foundation on which criminology is analysed (Morselli 2006, Goga 2014, Campana 2016).

### **2.2.1. Social Network Analysis Applied**

Social network analysis (SNA) is a methodological tool used to map out interactions between units. SNA seeks to map out the strategic relationships and inter-dependencies that flow between connected units, such as individuals, organisations, neighbourhoods and groups of people. In terms of the discourse of organised crime, SNA becomes a favourable tool to build a theoretical understanding of the social context in which organised crime exists as it can be used to identify the structural features of illicit networks (Eduardo Salcedo-Albaran 2017). The concepts of 'nodes' and 'ties' are used to illustrate and map out networks. People are presented as 'nodes' and the 'ties' between them reveal the types of relationships that flow between these various nodes. SNA provides an x-ray of an organisation's network revealing how everything and everyone connects together and provides both a visual and mathematical method of analysis towards human relationships and social systems.

Mapping out a network and the participants within it requires evaluating the locations of 'nodes' within a network. This allows us to determine who is at the centre of the network, who is on the periphery and who are the connectors, bridges and leaders in between (Eduardo Salcedo-Albaran 2014). One can also determine clusters of nodes in certain locations and identify who is within these clusters and what roles they play within said

network (Goga 2014). As shown in case studies conducted by Salcedo-Albaran, Goga and Goredema, a central node will be one with a high degree of connections and activity and will therefore play a central role in the sustenance of the network. A connector or bridge may not be as central or active yet could still be a significant node in the network if they are able to tie other important nodes together, which would be difficult without this mutual bridge. Those on the peripheries contribute to the functioning of the network but are not essential to its survival as they can be easily replaced (Eduardo Salcedo-Albaran 2014). Network activity is measured by using the concept of 'degrees'. Degrees relate to the number of direct links a node has. The node with the most degrees has the most ties within that network and can be regarded as the 'hub' or 'connector' and therefore must play a crucial role in the network.



**Figure 1. Basic Network Example**

What matters when attempting to understand organised criminal networks is mapping out where these ties lead to. For instance, there could be one node that has the most ties, but these ties are shared with additional associates within the network. This particular node with the most ties may not actually be as valuable as a node in the same network that has less ties but has a sole tie to another significant node. As seen in figure 1, it is evident that node A is central to the network as A has the most degrees of activity and ties. Although C and B share an additional tie to Node E, B is the only node with a direct tie to F, making B potentially more valuable than node C.

However, accessing reliable and adequate information on the identities of nodes and their ties to one another can be a laborious and almost always incomplete task. The very nature of the 'criminal underworld' suggests that many of the key players operate in an informal sphere, preferring to remain undetectable by authorities, and are not well known. Researchers and criminologists often must rely on reputable media sources to map out interactions between nodes in a network as well as prosecution cases that give evidence showing how certain nodes are connected to each other. Once the ties between nodes and the degrees of their activity have been calculated and mapped out it becomes possible to see how a network is structured, who is where in the network and who should be targeted as a priority in weakening the operations of the network.

### **2.2.2 The Relevance of Applying SNA to Organised Crime Analysis**

Within the field of social sciences, SNA has been accused of being merely "descriptive" in nature and lacks a fundamental theoretical understanding. Kriegler (2014) however challenges this assumption by arguing that there is a strong theoretical core within SNA that works on the primacy of human relationships. Utilizing social connections and determining relationship patterns can be effective as a theoretical tool to understand the complexity of social interactions. Additionally, the ability to map out large quantities of data into a recognisable image, otherwise not obvious to the naked eye, offers an opportunity for action against organised crime to be pre-emptive and anticipatory rather than reactionary. Two pivotal strengths of SNA that contribute significantly to criminology is its ability to: 1). Provide data based on observations rather than assumptions (Kriegler 2014), and 2). Reveal levels of corruption and state capture (Vorrath 2016).

SNA transcends some of the limitations that previous methods of analysis have faced, namely buying into homogenous stereotyping of underworld figures, assuming State entities remains separate to criminal entities, and seeing crime more as a consequence of moral deterioration than a symptom of a broken society (poverty, economic exclusion, and poor public services). Rather than merely relying on *a priori* theoretical classifications, SNA uses empirical determinations to map out social interactions. Therefore, rather than having to rely on theoretical

deductions of knowledge, reasoning can be deduced from observation and experience, which creates more accurate data. As put forward by Kriegler,

"[t]he central assumption is that a detailed knowledge of the social structure in which individuals are embedded may be more informative in understanding behaviour than common sets of attributes used to create profiles of individuals, such as age, gender, education, or socio-economic status", (Malm 2016). Non-network approaches previously utilized would prescribe formerly determined characteristics to an actor or group and then examine interactions between those in focus. SNA however differs in that it starts by examining relationships that exist among the actors in focus and then proceeds with labelling the groups that emerge." (Kriegler 2014, 6).

Orthodox models relying on the 'mafia paradigm' and 'alien conspiracy theory' could fall into the trap of seeking out actors of groups that prescribe to a pre-ordained understanding and characteristics of organised crime, i.e. an already known member of a cartel or mafia, a foreigner etc. Alternatively, they may prescribe these characteristics to a suspected actor who is neither part of a mafia or international syndicate. The consequence is that this method has no foundation to recognise alternative actors, such as community members, businessmen and public officials. However, it is these actors that we desperately need to recognise.

What makes this useful to understanding the South African context is its ability to reveal instances or networks of state capture. Being able to map out ties between illicit entities and the state could prove extremely useful. Traditional approaches to organised crime tend to place legitimate actors under the 'cohesive control' of criminal entities, overlooking active agency and consent. However, an alternative approach that is gaining more momentum is to analyse the symbiotic relationship between criminal and public actors. Where orthodox perceptions of organised crime veered away from an obligatory viewing of blurred lines between criminal and public/state entities, it is now essential and no longer questionable to investigate such relationships. As asserted by Morselli and Giguere,

"[a]cknowledging the possibility of active involvement by legitimate trade actors is difficult unless we have the methods that allow us to carry us inside the network. To this end, social network analysis remains highly instrumental", (Giguere 2006, 197).

Vorrath (2016) posits that there are three general schemes of implication between criminal organisations and public figures to acknowledge. Firstly, it is not uncommon to find public officials sidestepping official channels and exploiting loopholes to award criminal entities with licenses and concessions that make their illicit business easier to conduct. We have seen evidence of this within South Africa and the case of the Gupta family who used political connections to exploit business opportunities (Pauw 2017). Secondly, criminals have been seen to buy protection from public officials to avoid prosecution on both ad hoc instances and within advance, showing a more consistent set-up. For example, in August 2013 Albert Chelly, Deputy Director of Liberia's Drug Enforcement Agency (DEA) was dismissed after conspiring with Nigerian drug traffickers and aiding in avoiding their prosecution (Gberie 2013). The third instance is a situation in which public officials themselves becoming *criminal entrepreneurs*. For example, there have been allegations and investigations into Sierra Leone and Liberian officials being active players in illicit gold and diamond mining (Vorrath 2016). SNA is therefore an objective tool that uses empirical research to map out corruption that aids criminal activity and the criminal economy.

### **2.2.3 Weaknesses of SNA**

Despite these uses, SNA does have limitations, when attempting to fully account for various dynamics of organised crime, and criminal networks. The limitations include a lack of access to reputable data, the technical skills and time required to embark in SNA and its absence of a qualitative understanding of the socio-economic and structural forces that perpetuate crime.

Social scientists have the difficult task of having to map together networks based on incomplete resources. With criminal networks operating underground and being ever-evolving and inter-changeable, it becomes not only a difficult but a highly dangerous task to engage in the requisite fieldwork to attain the data needed for a thorough investigation. Often

researchers are forced to rely on media sources that expose certain criminals along with their social engagements and connections as well as prosecution cases. However, these sources themselves are likely to be incomplete and void of the 'full picture'. Therefore, one always must assume that any criminal networks mapped out may be incomplete and does not show all nodes and ties that exist.

In addition, technical skill, time and expertise on the area of study required to conduct in-depth social analyses makes interpretation and analyses a hard task (Kriegler,2014) Another potential difficulty with using SNA is the absence of socio-economic and structural dynamics as explanatory variables. SNA is not able to account for the underlying socio-economic and structural forces that may be instrumental behind constructing and perpetuating criminal networks. As is argued in this thesis, socio-economic and structural issues are often at the heart of criminal activity and have too long been ignored in the way law enforcement responds to crime. Therefore, understanding the fundamental nature behind the organised criminal group cannot be determined by solely relying on SNA. A combination of law enforcement, academics and researches need to combine their knowledge and work together to provide needed context and theoretical expertise.

### **2.3 Conclusion**

Donn John's famous phrase, '*no man is an island*', works rather eloquently when considering organised crime (John 1964). This Chapter has explored why conceptualising organised crime as criminal networks provides a necessary framework towards understanding the manifestations, structures, modes of operations and longevity of organised crime. The consequences of organised crime can be detrimental to social and state function. Conceptualising organised crime as *networks* works to illuminate how organised criminal groups operate and function. This in turn reveals the harsh manifestations and consequences organised crime can have if ignored or not appropriately penetrated. The more widespread criminal networks become, the harder they become to absolve and the harder it is to secure legitimate business and the economy. Organised crime needs to be viewed as *networks* involving the participation of various actors', including the State.

Adopting an instrumental approach and using SNA as a tool to understand networks is arguably the most appropriate way forward. Social relationships that are criminal in nature are not necessarily conducted one way, being from the outside in. Nor is corruption wielded solely by 'lawful' companies, groups and individuals. Rather, it can be recognised that there are reversed alliances that are initiated by both lawful and unlawful bodies and that institutions can be reconfigured and manipulated from within and not only from the outside (Garay 2009). SNA works void of stereotypical assumptions and relies on empirical data to map out social systems by utilizing social relationships. One social relationship pivotal to the sustenance of organised crime is that between criminal entities and State entities.

### **Chapter 3: Organised Crime in the Western Cape**

Before exploring how SNA may be a useful tool in which to approach organised crime within South Africa, one needs to understand the context in which this organised crime exists. South Africa's volatile past of colonialism and apartheid have had specific consequences on its economic, geographic and social landscape. Many of these consequences remain embedded in the make-up of the country, making it essential to explore what aspects of South Africa's past has impacted on the way in which crime is enacted and experienced now. Today, the canonic literature on organised crime highlights transitioning states<sup>8</sup> as highly susceptible to crime, of which South Africa is an exemplar *par excellence*. According to Super (2016), in transitional societies vacuums and opportunities present themselves during a change in policy, governance, policing and the opening of borders (Super 2016). This perception is strongly supported by some South African criminologists who argue that South Africa's 1994 transition to democracy from apartheid added fuel to the fire of organised crime. This argument rests on the belief that such drastic political change created conditions and opportunities that did not exist prior to democratisation. The biggest opportunity for organised crime growth is often seen to be the opening of borders during political transitions as well as a lax in border movement control. The opening of the border is connected to associations of organised crime being fundamentally transnational and executed by external, immigrant forces (thus buying into the alien conspiracy theory). The opening and relaxing of border controls permitted criminals to start operating in areas they previously did not have access too, thus transforming the operations of organised crime from domestic to trans-national (Sabrina Adamoli 1998).

Although it is a valid argument to emphasise that political transitions create vacuums for crime, it would be unwise to solely focus on this factor. This argument ignores the existence of organised crime before political transitions as well as structural oppression that continues to thrive during

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<sup>8</sup> Transitional State refers to countries that have or are transitioning from *authoritarian rule* ostensibly to a form of democracy. See: (Kritz 1995), (Guillermo O'Donnell 1986)

transitions and effects organised crime. Equally, a focus on the transnational dimension of organised crime also fails to comprehend home-grown organised criminal activity that is relevant to study. Although there is often a soft acknowledgment of the existence of some organised crime activity prior to 1994, it is often viewed of small existence and poorly organised. Additionally, relationships existing between organised criminal groups and state figures (both past and present) is rarely reviewed. However, research shows that many of these relationships that were formed during apartheid have persisted post 1994 and contributed to the growth and impunity of organised crime. In the context of South Africa, as will be explored in this Chapter, organised crime can be traced back to the apartheid era and further.

The development of organised crime in South Africa, and more specifically the Western Cape, can be divided into two parts which I shall label: the 'first evolution' (colonial and apartheid era) and the 'second evolution' (post-apartheid era). During both periods significant factors contributed towards the greater establishment and growth of organised crime, criminal networks and criminal governance. A historical review of organised crime in South Africa sheds light on two dynamics that orthodox discourse neglects.

Firstly, organised crime did exist prior to the political transition from apartheid to democracy. Van Vuuren's book, *Apartheid Money and Guns*, attests to this by carefully unveiling some of apartheid's most hidden economic crimes to which heads of State, arms dealers, bankers and politicians are the perpetrators. Secondly, street gangs have played a primary role in the development of organised crime and have become primary actors in drug distribution and criminal networks. Despite orthodox views that place street gangs on the periphery of the organised crime arena, this is not the case in South Africa. Gangs have played an integral part in the evolution of organised crime. A review of South Africa's gang history shows how the changing nature of crime has indeed changed the nature and structure of gangs. Kinnes (2000) laments that "[s]treet gangs are no longer characterised by youngsters who hang around the streets of local communities to 'defend' the community from rival gangsters. They have developed into organised criminal empires"(2).

The change in criminal and gang structure can be attributed to various important developments. During the first evolution the most important developments can be pinpointed to racial segregation as a result of the 1950's Group Areas Act and the arrival of Mandrax onto South Africa's drug scene, coupled with attempted alcohol consumption control in the Cape Flats. 'Second evolution' developments occurred hand in hand with South Africa's political transition that saw the opening of our borders, an influx in foreign cartels and the penetration of prison gangs from prison onto the streets of the Western Cape. These developments will be discussed below in detail while the growth of organised crime in the Western Cape is mapped using SNA.

### **3.1 A Historical Review of Organised Crime in the Western Cape**

#### **The First Evolution**

Research concentrating on crime tends to side-line the changing nature of gangs due to political changes. Often the focus lies in policing, security and already established organised criminal groups. To a large extent the recognition of street gangs has remained on the periphery of these studies, as traditional approaches to the discourse of organised crime do not view street gangs as organised criminal groups, as was stated in chapter one and two. However, South African politics had a radical effect on the mobilisation and organisation of gang activity, culture and identity (Pinnock 2016). Racial and wealth polarisation paved the way for gangs to fill economic and power vacuums and gradually build themselves into the criminal empires they are today. When assessed according to Kinnes (2000) and Standings (2006) conceptualisation of organised criminal networks, these street gang "empires" fit the definition. The surge of the first evolution of organised crime can be linked with two primary factors: the 1950s Group Areas Act and the market of alcohol and mandrax in South Africa. Although there was organised crime already underway within South Africa, these two factors generated opportunity for organised crime to grow and establish itself into what it is today. Whilst Standing's (2006) assertion that apartheid's impact on shaping the city influenced the way that gangs and organised crime operate today; historical records indicate that organised crime existed long before apartheid and was evident as far back as the colonial era. Archival evidence found in Nigel Penn's book, *Rogues, Rebels and Runaways*, gives evidence of colonial era organised crime and social banditry around the 1800s. One such is example is the

formation of *droster gangs*, a term used to describe runaway slaves and bandits who united together and organised raids of white settler farm houses (Penn 1991).

Prior to the Group Areas Act of 1950, Cape Town was already subjected to profound wealth and racial polarisation. The majority of non-whites (further categorized as Black, Coloured, Indian or Asian under the Populations Registrations Act were systematically oppressed and poor from decades of colonialization), which then progressed into Apartheid. The Group Areas Act, however, drove this polarisation deeper. Areas within Cape Town were divided into 'White' and 'Non-White' territories. 'Non-Whites' living in areas designated as 'White' were forcibly removed to the Cape Flats on the outskirts of the city. Under the mask of 'urban renewal' and 'community development', thousands lost their homes and were subjected to living in over-crowded, under-developed slums (Standing 2006). Family units were disrupted, access to employment became difficult as citizens now lived far from the city centre and over-crowding led to a lack of already dire resources. Standing (2006) writes that by 1982 roughly 50 000 families had been displaced.

Forced removals and family displacement had a significant effect on community security and support. Pinnock (2016) theorises that within inner-city neighbourhoods, like District Six, informal social control kept crime mostly in check with extended networks of family, friends and neighbours supporting one another and keeping an 'eye-out' on youth street activity. As Pinnock (2016) explains, "[t]hese spaces were networks of streets, houses, corner shops and *shebeens*<sup>9</sup> but were also social webs of kin, friendship, neighbourhood and work. They were a mix of rights and obligations, intimacies and distances, providing a sense of solidarity, local loyalties and traditions. They also provided collective surveillance, creating safe spaces for children to be children...", (33). When these networks were broken and dispersed across areas such as the Cape Flats, life became more distrustful resulting in a breakdown of stability. As eloquently written by Cosmas Desmond in 1971 about forced removals:

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<sup>9</sup> Shebeens were illicit drinking houses formed as alternatives to bars and pubs. They were most notably found in black townships as alcohol was heavily regulated here and hard to acquire.

“I have seen the bewilderment of simple rural people when they are told that they must leave their homes where they have lived for generations and go to a strange place. I have heard their cries of helplessness and resignation and their pleas for help. I have seen the sufferings of whole families living in a tent or a tiny tin hut. Of children sick with typhoid, or their bodies emaciated with malnutrition and even dying of plain starvation. The enormity of relocation only hits the traveller when driving through the bantustans. Relocation sites are designed to be out of sight from all national roads... In South Africa removals are part of the way of life of the black majority. Dispossession and exclusion lie at the heart of apartheid” (Desmond 1971)

This quote drives home how hard force removals were on the vast population. Under these circumstances anecdotal evidence suggests that large numbers of youth formed street gangs as a consequence of being unsupervised, lacking family structure and harbouring a low sense of belonging (Pinnock 2016). The Group Areas Act therefore had a fundamental impact on South African gangs and criminal activity. In fact, Pinnock ties the surge of South African gang culture almost directly to the Group Areas Act. Lambrechts (2013) writes that the conditions in which many were forced to live in the Cape Flats created a breeding ground for crime with high levels of poverty, low levels of employment and virtual neglect from the state. Formations of gangs soon started to rise providing people with access to the informal economy, a sense of identity, and a pseudo family structure. Gang life and gang culture quickly became the norm for many individuals and communities.

This occurrence is eloquently described in Steinberg's book *The Number* where we are given insight into community identity and support for gang structures. Steinberg (2004) uses recollections of Magadien Wentzel, a Cape Flats gangster, on how the geographic structure of the Cape Flats endorsed a climate of distrust and rivalry. Wentzel laments on how,

"the whole of life was lived in the tenement courtyard, and each courtyard became a world. The new neighbourhoods of the Cape Flats were to become deeply insular. Each block became to constitute a territory, its defenders possessive insiders, aggressive to outsiders" (114).

As courtyards became insular worlds, youth gangs developed amidst them, natural rivals towards one another based on the instinctual view of 'other' and 'outsider'. As the isolated pockets of communities gradually grew so did the opportunity for criminals to utilise the climate of poverty. Drug distributors rarely kept their supply on them. As Steinberg (2004) investigates, drug pins, "threaded an elaborate chain of transactions through the shacks that surrounded their own, giving their neighbours a cut of their proceeds in exchange for the danger they were deflecting from themselves" (293). In this dynamic we can see how a network is informally formed and how criminals utilise the economic vulnerability of their fellow community members who will turn to illicit activities to generate income.

Gangs became attractive in what they offered: economic and authoritative empowerment. The power and influence gangs started to establish at this time can be noted when assessing the relationships between gangs, the state and liberation movements. Both the state and liberation movements were known to make negotiations with gangs in the Cape Flats, either for safe passage or information (Standing 2006). In return for information, the state would turn a blind-eye to criminal activity. In return for safe passage, liberation movements would trade guns and illicit goods. These relationships and dynamics are important to recognise for two reasons. Firstly, one can see the gradual formation of criminal networks being established between criminals, state and civic actors. Secondly, many of these networks continued to exist once South Africa transitioned into democracy. This will be discussed further when assessing the second evolution of organised crime.

Alongside legislation on forced removals and the racial zoning of 'coloured' people to the Cape Flats, Standing (2006) attributes the growth in crime and the criminal economy to increases in alcohol and mandrax abuse within the Cape Flats. Very much like the failed 1920s prohibition in the United States, poor attempts by the state to control alcohol consumption in the Cape flats quickly led to a lucrative criminal market. Those with access to transport and capital bought large quantities of alcohol from legal stores and then re-distributed it from illegal drinking houses within the Cape Flats. Drinking houses, locally labelled '*shebeens*', fast became linked to organised crime and became a pivotal prospect in the illicit economy. Additionally, as *shebeens* soon became sights for social interactions among residents, everyday norms and activities therefore

revolved around norms and the rules of criminal activity. Progressively, criminal networks and governance normalised itself among the community of the Cape Flats.

Aside from alcohol, mandrax also became a pivotal product for growing the criminal economy. mandrax, also known locally as 'buttons', is unique to South Africa and is a combination of methaqualone (a sedative used in Quaaludes) and dyphenhydramine (a antihistamine primarily used in Nytol). Mandrax originated as an over the counter drug sold pharmaceutically. The drug soon became popular and by the 1970s the Department of Health issued the manufacturing of 1, 050, 00 kgs of mandrax, (Leggett 2003). By 1977, the drug was withdrawn from the legal market due to persistent abuse and high addiction levels. Despite illegalisation, demand for mandrax continued to grow and shipments from India continued to bring the drug into the country as well as local labs emerging steadily to meet demand. In the 1980s it is estimated that 70% of drug seizures were linked to mandrax, (Leggett 2003). Leggett (2003) theorises that South Africans took to mandrax like no other country partly because of the country's isolation due to anti-apartheid trade sanctions. This cut off the local drug market from following latest trends and products. Standing (2006) writes that mandrax soon became the most lucrative product on the illegal market. However, to create flow of supply and to meet demand, drug dealers could not act in isolation, but relied on networks involving 'cookers', distributors and runners to acquire and sell the goods.

Hence whilst according to orthodox discourse, organised crime has been viewed as a primarily *transnational phenomenon* which saw organised crime being perpetuated by outside immigrants (Mothibi, Roelofse and Maluleke 2015); as the case of the Cape Numbers Gangs shows, how South Africa's history of state authoritarianism, racial capitalism and apartheid laws drove the establishment of organised criminal networks. The first evolution of crime created the foundations of which the criminal empires of the Cape Flats flourish today. In addition, Goga (2014) stresses that apartheid-state failure to police non-white areas created a security vacuum allowing such crime and criminal networks to prosper. As the Cape Flats became increasingly isolated and the economic opportunities in mandrax and alcohol grew, organised crime and criminal governance became quickly entrenched economically, socially and spatially within the

Western Cape. The networks that began to form during this time also had long-lasting effects that spearheaded the second evolution of organised crime.

### **The Second Evolution**

Kinnes (2000) states that during times of political transitions, social controls invariably relax granting opportunities for crime to prosper. Post 1994, South Africa experienced a relax in social controls coupled with social disorganisation and political uncertainty. The growth in illegitimate opportunity structure led to a change in the operation and organisation of street gangs. South Africa's political transition ran parallel with a criminal transition and can be seen as South Africa's second evolution of organised crime.

With the 1994 transition to democracy came high expectations from previously oppressed 'non-white' citizens to be lifted from the carnage of poverty. However, racial, economic and geographic polarisation has remained ever strong and continues to be a persistent legacy of the apartheid era. The frustration of a failed transition to uplift and transform all sectors of South African societies has led to the growth in crime and opportunities for criminal governance. Kinnes (2000) writes that,

"[t]he results of the expectations of the masses and the ability of the new government to fulfil them led to a crisis that engendered criminality. Bosses of criminal syndicates were soon able to recruit people who were previously disinterested in crime" (13).

Moreover, it appears that following the political transition to democracy shifted the priorities of government and law enforcement, leaving organised crime almost virtually unchecked for a significant period. For example, a large debate faced by the South African Truth and Reconciliation Commission (TRC) was who could apply for amnesty. This problem meant creating a clear distinction between 'crime' and crime that was politically motivated. The line between organised crime and organised resistance was not clear cut. As discussed above, the apartheid era saw both state and resistance groups involved in illicit activities to fund their political movements, yet these activities were still illegal and financial benefits were obvious.

The rise in organised crime was noted in 1991 by the United Nations Office for Drug Control and Crime Prevention (UNODC). The increase in drug trafficking and related violence prompted some social scientists to see the "colombinisation" of South African society starting to occur in the years following 1994. The UNODC observed that drugs played an integral role in the flourishing of organised crime and that this could most notably be seen within the Western Cape, and even more specifically within the Cape Flats (UNODC 1999). For example, the exportation of cannabis grew from 15% of total production in 1991 to 70% by 1996. Additionally, seizure statistics of precursor chemicals for mandrax show that in 1995, 70% of these seizures took place in South Africa.

Many social scientists agree that South Africa's transition to democracy from apartheid exacerbated organised crime. This argument lies in the belief that such a drastic political change created conditions and opportunities that did not exist prior to democratisation. One of the biggest opportunities in the second evolution can be pointed at the opening of the border (as well as a lax in border movement control). The dropping of State sanctions allowed the drug market to grow as importing drugs became easier. Additionally, the removal of laws such as the Group Areas Act creating racial integration allowed drugs to make their way around the city to areas previously difficult to penetrate. 'White' areas became lucrative trade spaces with the wealthy elite. Criminals started operating in areas they previously did not have access to both in local and transnational terms, thus "organised crime was transformed from a domestic to an international phenomenon and from a law and order problem to a national and international security threat" (Mothibi 2015, 649).

With the opening of borders came an influx of foreign syndicates threatening local monopoly over the drug trade. Cape Town's top gangs were forced to sophisticate themselves to meet growing demand and compete with foreign competitors. As Goga (2014) explains:

"While the subversive activities of both the state and resistance provided the smuggling routes and added to a growing drug problem, market forces, the opening of borders, increasing speed of transportation, and a growth in global travel and demand for drugs began increasing the levels of drugs imported into the country. While South Africa's relative exclusion from the world economy during the

apartheid period isolated the country from hard drugs such as cocaine and heroin, the opening of the country's borders allowed both these drugs and organised criminals to make their way into the country and feed a growing market. These markets brought with it new criminals and new spaces and markets in which to develop" (Goga 2014, 4).

The growth in illegitimate opportunity structures led to an increase in transnational crime and foreign syndicates setting up networks and operations in South Africa. With South Africa's borders opening in 1994, many existing foreign cartels set up operations in the country, seeing a lucrative market untapped. In response to foreign criminal groups muscling in on illicit business and trade, local gangs and organisations had to advance themselves to expand their reach and keep their consumers. Pinnock (2016) posits that by 2000, intelligence agencies estimated that 90% of the mandrax, cocaine and cannabis market within the Western Cape was controlled by local gangs. As local gangs expand so does the swell in tensions between rival gangs and distributors, which is often dealt with through acts of violence and intimidation. The effects of such violence and a swell in criminal business has been detrimental to those who reside in such communities as the Cape Flats. As Pinnock (2016) explains,

"In these neighbourhoods, collective efficacy declines, violence increases and other forces move into the power vacuum in an attempt to control, stabilise, disrupt or benefit. On the Cape Flats that violence is among the highest in the world" (187).

This statement eloquently contextualises how the Western Cape became a breeding ground for criminal enterprise. When social and economic stability weakens and the presence of the State declines, external forces step in and manipulate fear and uncertainty to their advantage with violence. This contributes towards answering the second research question to understand the contexts and components of organised crime within South Africa. The political climate isolated large portions of society from adequate State resources and destabilised these communities within themselves through forced removals. The greater the need for access to resources, the easier it became to create criminal networks with various actors participating.

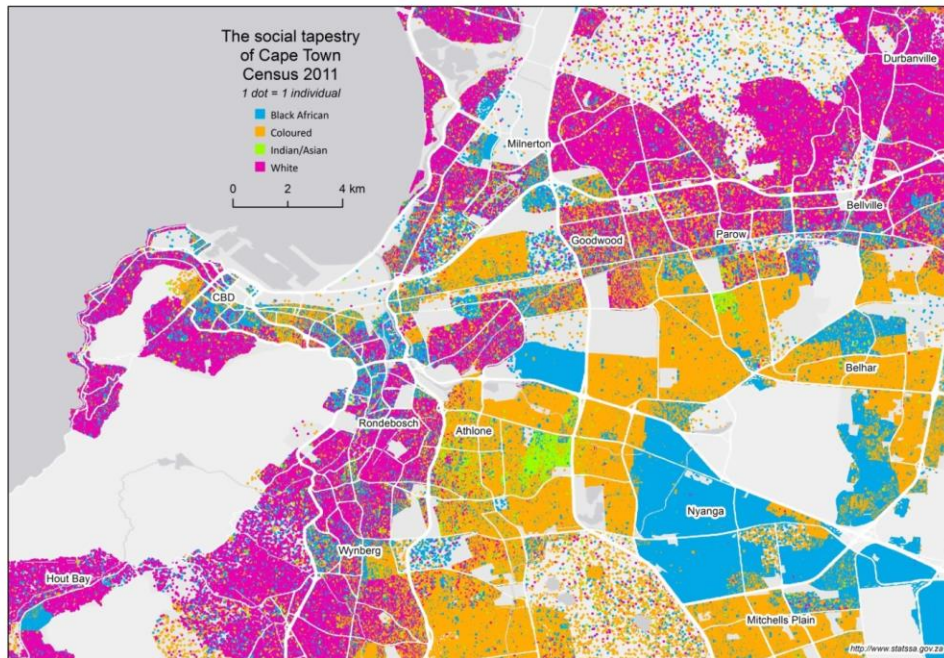
### **3.2 The Current Condition: The Western Cape and Crime**

In 2016, Business Tech reported that Cape Town was South Africa's most violent city, placed among the top ten most violent cities in the world. The Western Cape sits in 9th position with 2,451 homicides among a population of 3.74 million people reported in 2015, giving it a rate of 65.53 per 100,000 people, (BusinessTech 2016). Cape Town is littered with harsh contrasts, most notable the racial, spatial and economic divides that linger with the legacy of the apartheid era. Allocated under the mountains and near the city centre is Cape Town's middle class to elite population, mostly populated by white South Africans, a few 'black' and 'coloured' citizens who managed to benefit from the political change, and foreign immigrants. Moving further away from the centre of Cape Town, the houses become smaller, closely packed together and informal. These areas are known as the Cape Flats, where black, coloured and Indian families were re-located too under apartheid's Group Areas Act. It is no exaggeration to say that the Cape Flats and other South African townships are unacceptably underdeveloped and impoverished. Social scientists apply the term "socially excluded" to those who live in the Cape Flats as many exist outside the workings of the formal economy with unemployment rates being high. These areas are overcrowded, underfunded and under resourced.

Figure 2 provides insight into the racial and wealth polarisation still rife in Cape Town. The figure shows how white people dominate neighbourhoods closest to the city centre and business district. When considering that only 15,7% of the population is 'white', while 42.4% are coloured and 38,6% are black, it is distressing to see how land is occupied and still remains harshly segregated along the lines of race and class. Additionally, considering that white persons only make up roughly 1/6 of the population yet occupy the same land mass shared by the remaining 5/6 of the population who are 'black' and 'coloured', it is safe to assume 'white' persons live in spacious living conditions, while black and coloured persons reside in over-crowded communities on the outskirts of the city. Baring this in mind, it becomes easier to comprehend how opportunistic crime continues to flourish when there is such high economic disparity.

The Cape Flats can be seen as one area that has severely borne the brunt of organised crime. The oppressive social features of unemployment, poor

health, poor school attendance, drug addiction, domestic violence, family fragmentation and gangsterism is rife (Pinnock 2016). These conditions perpetuate isolation from the rest of the country as more affluent areas see these ghettos as 'no go areas' due to the high levels of



**Figure 2. Mapping Racial Segregation in Cape Town (STATS SA 2011)**

violence and crime. South Africa's response towards areas like the Cape Flats has been to largely rely on aggressive policing tactics as adopting any softer approaches is seen as futile and politically unpopular. However, this response has resulted in a swell in the local justice criminal system seeing an astounding number of coloured and black people from the Cape Flats doing time in prison. Statistics in 2016 show that South African prisons that have bed spaces for 119 134, were housing 161 984 prisoners (Hopkins 2017). This issue of overcrowding is worst in Cape Town's Pollsmoor Prison. However, as explored by Standing (2003), Steinberg (2004) and Pinnock (2016), this is having a profound social and economic impact that needs serious attention. In fact, it has been argued by authors like Steinberg and Pinnock that prison does less to reform an inmate, than perpetuating crime. In an extract in Steinberg's book *The Number*, Wentzel reveals how prison contributes to growing criminal networks:

"No matter that they were travelling through one of the remotest regions of western South Africa, they were always within an hour or

two of somebody else they knew, some *ndota* they had met in prison, someone who made a living trading contraband. Prison is the great networking centre of criminal South Africa. Spend four or five years of life in the 26s, and wherever you go after that you will always find a brother with whom to do business. Prison has taken the illicit market to every village in the country" (71).

A more recent example is that in 2014, it was estimated that 953 organised crime syndicates were operating in South Africa and "[together] with the illegal export of rhino horn, ivory and exotic species, drug dealing has earned South Africa the reputation of being the-hub of organised crime in the sub-region", (Pinnock 2016, 104). Gang violence in the Cape Flats is nothing new or unexpected and has waged on for decades between competing gangs and criminal entities. Yet, it is becoming increasingly apparent that violence from the Cape Flats is starting to make its way into neighbourhoods that were previously deemed quiet and safe. For example, the last year has seen an increase in violence in Cape Town's Central Business District (CBD) as tensions have risen between rival groups in security racketeering. This has seen several shoot-outs, attempted and successful murders and violent acts of intimidation at many popular nightlife spots in the CBD, (Dolley 2017).

### **3.3 Organised Crime and the South African State**

In South Africa, there are various cases revealing criminal networks and corruption among State officials. Reputable media outlets have reported numerous stories of corruption, which highlight a crisis that may be systemic. The question relevant to this thesis, is what is the relationship between corruption and organised crime? In 2014, former constable, Ricardo Abrahams, was found guilty of corruption charges for his involvement in dealings with a well-known drug-dealer revealing himself to be a node in a criminal network (Prince 2014). Suspected corruption in arms dealing between gang leaders and law enforcement has also caught the attention of media. Guns that had previously been confiscated by police personnel were finding their way back onto the streets (Horler 2017). In 2012 it was noted that despite the police management's awareness around the gross extent of gun smuggling, that has caused more than a 1000 deaths since 2014, resources were pulled off the case rather than seeking to accelerate towards arrests (Dolley 2017). In 2015, Major-

General Jeremy Vearey and Major-General Peter Jacob, who were heading the investigation, traced the recycled weapons to Pretoria policeman, Colonel Christian Lodewyk Prinsloo, who was a custodian of an armoury for confiscated weapons waiting to be destroyed. Prinsloo had created his own illicit business and network by selling these arms to gangsters and had profited roughly R9 million, (Horler 2017). After Prinsloo's conviction, Vearey and Jacobs recommended that their investigation be extended for the next three years. By 2016, they found themselves demoted to lower ranking positions.

It could be theorised that nodes in the justice department worked to prevent Prinsloo and other criminal networks being fully infiltrated, although there is no substantive evidence to back this claim. An affidavit supplied by Jacob stated,

"Investigation into criminal gang activity in the Western Cape revealed that corrupt officials were both supplying illegal firearms and illegally providing firearm licenses to gang leaders such as [alleged 28s gang boss] Ralph Stanfield", (Dolley 2017).

Vearey and Jacobs contested their demotion and in August 2017 the Labour Court ruled that they be returned to their previous positions to continue their investigations. Police management however appealed this leaving them in demoted positions. Thousands of illegal firearms remain circulating through the Cape Flats as networks and illicit business flourish. Latest of all is the newly published book *The President's Keeper*, by journalist and novelist Jacques Pauw. The book investigates and makes strong allegations against President Jacob Zuma and his 'cronies' of corruption, nepotism and involvement in criminal activities. One connection revealed is the contentious relationship between node Nkosazana Dlamini-Zuma, President Zuma's ex-wife, and self-confessed smuggler and money launderer, node Adriano Mazzotti. Mazzotti, a cigarette manufacturer, admitted in an affidavit that his company had been involved in fraud, corruption, bribery and tax evasion. Therefore, when it was revealed that he had contributed money towards Dlamini-Zuma's Presidential campaign, eyebrows were rightfully raised about the nature of this investment. Dlamini-Zuma's response to her relationship with Mazzotti was that he had never been convicted of crimes and dismissed advice to terminate any connection with him. In 2017 however,

*Times Live* reported that Mazzotti now denies all claims made in his 2014 affidavit, (Pauw 2017). The State Security Agency (SSA) has demanded that the book be withdrawn from publication, a request Pauw and his publishers are taking to court, (Shange 2017). As these cases show, there appear to be clear cases of criminal-state relations within South Africa with nodes from licit and illicit sectors of society sharing ties. This is assisting the longevity and business operations of organised crime by blocking investigations, providing resources to criminals and turning a blind eye towards illegal activities.

What can be identified is that the boundaries between State and criminal entities can blur and overlap. This calls for a wider understanding of what constitutes organised crime, than orthodox approaches advanced. Recognising organised criminal groups as *networks* made up of nodes sharing ties allows for greater context and understanding of organised crime in South Africa. It allows us to apprehend how crime is structured along ties between nodes that may or may not be unpredictable and unassuming but significantly assist in its prosperity. Additionally, it creates conceptual framing for ties to be exposed between State and organised crime, which is essential when attempting to comprehend why penetrating and breaking down syndicates such a strong challenge. Analysing these relationships and who share them are pivotal. Concluded is that orthodox views on organised crime, that see crime as 'underground' and 'isolated' from main-stream society, are no longer sufficient to understand the case of the Western Cape Numbers gangs. The following chapter will draw on local case studies to convey that not all 'criminal organisations' may be comprised of 'criminals' in the traditional sense; they also assume identities of state personnel, politicians, policemen and powerful businessmen demonstrating there is no a clear distinction between 'criminal' and 'state'.

## **Chapter 4: Using Social Network Analysis to Conceptualise Organised Crime: A Case Study from post-apartheid South Africa**

South Africa, and the Western Cape more specifically, has been captured by organised crime and post-apartheid, organised crime remains one of the most critical issues affecting development and social security (Goga 2014). This chapter will now explore case studies of criminal networks in the Western Cape. Glen Agliotti and Mark Lifman are two high profile nodes that have significant networks surrounding them within the Western Cape, where they are based and conduct their business. Through an analysis of the case of Glen Agliotti and Mark Lifman, the theory of SNA shall be applied to show how these organised criminal groups are comprised of intricate networks involving a magnitude of various nodes within the Western Cape are how they are embedded in society and have direct symbiotic ties with the State. This will show that an instrumental approach towards criminal networks is useful and that the framework of SNA is an appropriate tool to map out these social criminal networks. SNA will be applied by using various media resources to understand who certain nodes are and how they are connected to draw up a diagrammatic representation of the network.

### **4.1 The Network of Mark Roy Lifman**

Mark Lifman's network makes an interesting case study. Lifman does not conform to orthodox perceptions of what a syndicate boss may look like. The hierarchical, 'alien', and 'mobster' characteristics would not be able to neatly define him as a key player in organised criminal syndicates but starts to evoke a discussion on 'grey' and 'black' actors in criminal activity.

Mark Roy Lifman, often referred to as controversial 'businessman gangster', has a vast business portfolio in the Cape Town and the CBD including nightclubs, bars, fashion stores, cigarettes as well as numerous

properties (Basson 2016). Salcedo-Albaran, Goga and Goredema (2014) write that,

"Lifman occupies a peculiar role as he is not part of any traditional criminal 'gang' and is instead a highly networked actor with links to high-ranking individuals who operate in both the criminal and legitimate business and entertainment sectors" (6).

In 2009 Lifman was acquitted of charges for indecently handling young boys as well as attempting to murder their pimp and soon after faced charges for running an unregistered protection and bouncer organisation, a company he seemed to inherit off the murder of Cyril Beeka, a known underworld boss in the Western Cape. As the City Press express, "Mark Roy Lifman is known in all the wrong circles of Cape Town...and is one of the country's most glamorous gangsters", (City Press 2015). Lifman became a focal point in two SARS investigations in 2013. It was estimated that the South African fescues was losing roughly R3 billion through the corrupt tobacco industry, cigarette smuggling and tax schemes (City Press 2015). Lifman and Sexy Boys Gang Boss, Jerome "Donkie" Booysen, were prime suspects as tobacco industry players engaging in illegal tobacco and cigarette operations. SARS project "Honey Badger" investigated Lifman's involvement alongside Booysen as well as his connection to Glen Agliotti.

In October 2013, SARS also began to investigate Lifman through 'Project All Out'. The investigation was headed by experienced tax detective, Keith Hendrickse, who had previously and successfully brought down and financially crippled gang boss, Quinton "Mr Big" Marinus. According to SARS, Lifman played role of 'debt collector' and 'loan shark' in the underworld, using Booysen's Sexy Boy gangsters to collect money from those in the illicit and licit sector. Accordingly, Lifman would take fifty percent of the money collected as his commission. At the time of the inquiry Lifman's assets included over a hundred bank accounts, extensive properties, high-end retail stores, and fourteen luxury vehicles. By 2014, SARS presented Lifman with a R350 million tax bill and penalised him for an array of infringements, namely tax evasion, false disclosures and attempting to purposefully miscalculate his tax. Despite agreeing to settle his tax bill and work compliantly with SARS, Lifman never seemed to make any of the meetings arranged to discuss the dispute. Lifman eventually

offered SARS a settlement offer of R30 million to settle the dispute, SARS however rejected this offer.

### **Key Nodes in Lifman's Network**

#### ***Jerome Booyesen***

Jerome Booyesen is a suspected high player in organised crime holding the position of Gang Leader of the 'Sexy Boys'. He also held the position of vice president of CORE, which suggests he has a high-ranking position in the criminal hierarchy. It is suggested that his backing of Lifman is what assisted Lifman to fill the power vacuum left behind by the murder of Cyril Beeka. Booyesen provided security personnel to Lifman to receive debts and loans from customers.

#### ***Cyril Beeka***

Cyril Beeka was a security expert and alleged underground crime boss. During the apartheid era he provided intelligence assistance to both liberation and apartheid government entities. When the African National Congress (ANC) came to power in 1994, Beeka avoided criminal prosecution for alleged murder under protection of intelligence services. In the 1990s Beeka began to offer security services and bouncer protection to nightclubs in Cape Town CBD. His company was called Pro Security. His network and allies gradually grew and came to include the group known as 'The Moroccans'. The Moroccans manipulated the demand for security within the CBD by causing mayhem in night clubs that were not contracted to Beeka. Protection was offered by these strongmen at a high rate and many clubs would ultimately employ their services when disruptions became unmanageable. For nearly two decades Beeka in effect controlled nightlife security in the CBD. In 2010 his political connections were reaffirmed when he was seen escorting National Intelligence Agency head, Moe Shaik, at an ANC national conference. He was also known to be linked to public officials and high-ranking police officers, (News24, 2017). Salcedo-Albaran, Goga and Goredema (2014) write, "Beeka's reach and network were visible at his funeral, which leaders of many of the largest Cape Town gangs, the Hells Angels motorcycle club, intelligence agents, sports personalities and other celebrities attended" (5).

In 2011, Beeka was assassinated in his car in Bellville, Cape Town, after a meeting with alleged crime boss and leader of the gang 'Sexy Boys', Jerome Booyesen. Beeka's death sparked a series of investigations into his

involvement with the illicit protection and security business in Cape Town, as well as legitimate business enterprises in Johannesburg. A prime suspect behind his murder was Czech fugitive, Radovan Krejcir, who had close dealings with Beeka and is strongly embedded in multiple criminal networks. His position in the network mapped out in this study is central, showing his close proximity to Beeka and influential position within the network. Following his death, an unregistered security company named Specialised Protection Services (SPS) was formed which sought to merge Beeka's company and allies, such as Jacques Cronje, as well as his rivals, such as Andre Naudé, into one large company which would have monopoly over Cape Town's protection industry. Key players involved in SPS were Jerome Booysen and Mark Lifman.

### ***Tom Moyane***

In 2015 Lifman's tax case was inherited by Tom Moyane. City Press revealed through four independent sources that Moyane was approached to 'go easy' on Lifman because of his money, influence and political connections (City Press 2015). Pauw (2017) writes that this allegation remains uncontested or challenged. Lifman is known to be associated with former Western Cape ANC leader, Marius Fransman, and was seen by his side as a VIP guest at a birthday rally for President Jacob Zuma, (Basson, Exclusive: SARS at war over 'underworld' figure Mark Lifman 2016). It is worth noting that VIP status would ensure Lifman would have to have been granted security access by secret service, which would have included a full security clearance check. Despite being under investigation for tax invasion and being business associates with known organised criminals, Lifman was still granted VIP status. The State Security Agency (SSA) reinforced the high profile nature of Lifman when Sonto Kudjoe, director-general of SSA, wrote to Moyane to urge him to see the case of Lifman through to the end. In addition to advising Moyane to make use of an interdepartmental team created in October 2012 to handle the Lifman case, Kudjoe wrote in her email:

"It has been confirmed that the mentioned individual, Mark Roy Lifman, is involved in criminal activities including transnational organised crime...If the individual settles with the revenue service it is of concern to the SSA that the individual and his syndicate will continue with their illicit activities. Of particular concern to the SSA is the impact that

the syndicate has on the social stability of specifically the Western Cape and the possible influence of the syndicate on gang turf wars" (175).

Five months after sending this email to Moyane, Kudjoe was replaced by Arthur Fraser. Although there is no hard evidence, it is inferred that Kudjoe's letter and attempt to bring Lifman to justice may have led to her downfall. Unsurprisingly, a link between Fraser and Lifman was uncovered in a report published by the *Daily Maverick*. No comment was made when the publication inquired about the nature of their relationship leaving the question of whether their relationship remains strictly business unanswered. In January 2016, Moyane disbanded the National Projects Unit that was responsible for investigating tax fraud and had been investigating Lifman as well as family members of President Zuma and ANC donors. Pauw (2017) comments on this decisions by stating,

"Tom Moyane had at his disposal a team of dedicated and celebrated investigators, but instead of letting them continue doing their work, he ostracised and shunned them and dismantled their structures" (179).

Shortly after, Mayone appointed Yegan Mundie as new chief investigator while demoting or reappointing seasoned and successful senior investigators.

### ***Yegan Mundie***

Acting as new chief investigator, Yegan Mundie's stance on Lifman was made abundantly clear in a confidential memorandum sent to enforcement head, Hlengani Mathebula. An extract from the memorandum states,

"It is clear that Mr Lifman was targeted by the Rogue Unit and SARS was used to cripple Mr Lifman's business. SARS is making use of private using Senior Counsel in order to continue to victimize Mr Lifman in a litigation process that will not be finalised soon" (181).

When SARS auditor, Gavin Cairns, contacted Lifman to arrange an audit on his group companies for January 2017, Mundie stepped forward and informed his colleagues that he had never authorised a review of Lifman's tax bill. A month later, when Lifman's case was set to be heard at the Western Cape High Court in February 2017, the application was removed

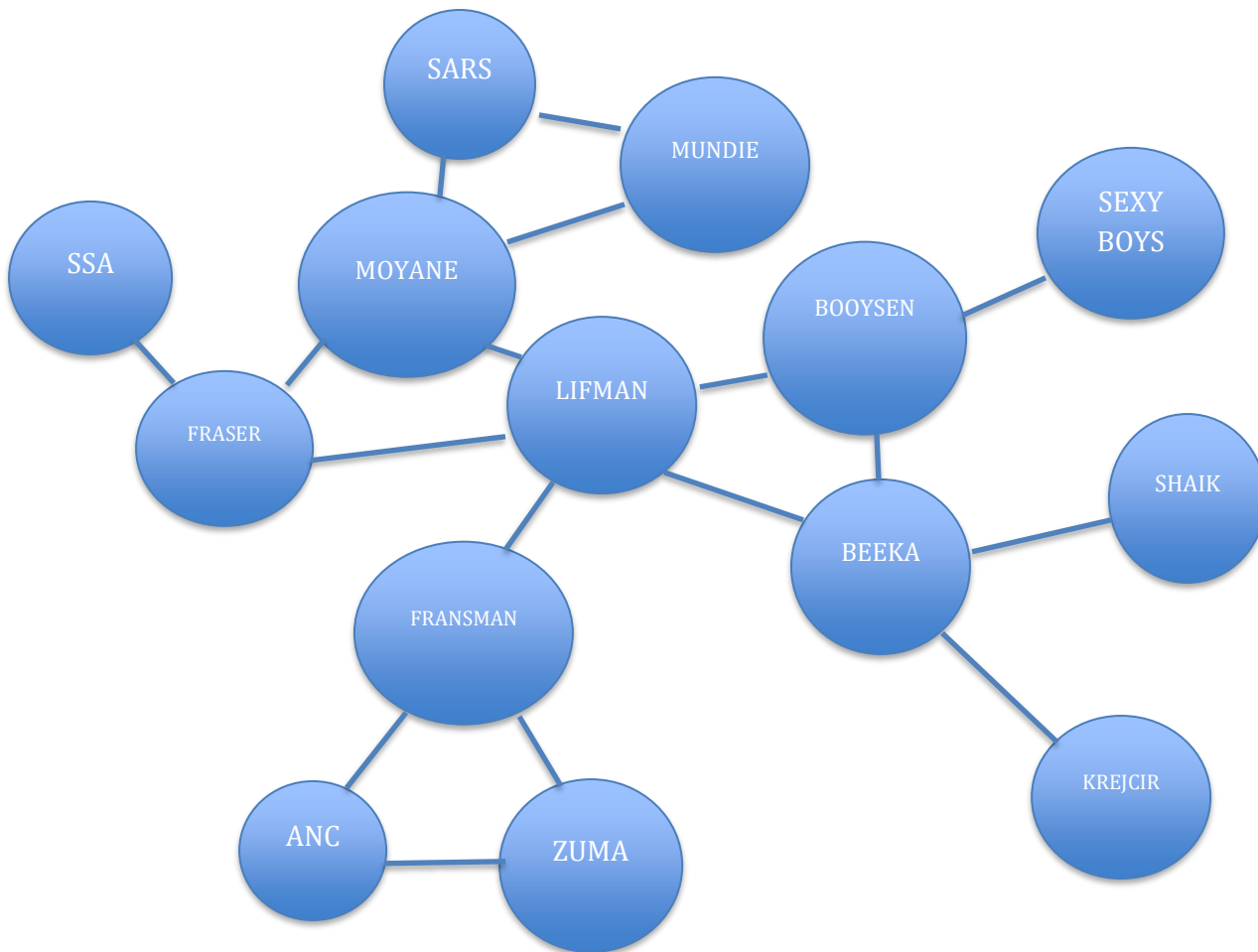
reportedly due to 'consent between the parties' (183). Pauw's (2017) prediction that,

"SARS will probably just let the case slide over time and, when most have forgotten about it, let it die off, or the service will be forced to somehow settle with Lifman. He will likely pay a tiny fraction of what he owes SARS, he will be declared tax compliant, and festivities will commence in gangland down south" (183).

### **Case Study Conclusion**

It is apparent how Lifman as well as others in his network, such as Beeka, enjoy ties with the public and state sector. This case study reveals how this network operates both within the criminal sector as well as within the legitimate business sector. As Salcedo-Albaran, Goga and Goredema (2014) reflect, this network is highly sophisticated which makes breaking it up a great obstacle. Lawful economic institutions have been co-opted to achieve criminal gains.

Being able to identify the heavy relevance of lawful economic interactions within this illicit network suggests that vulnerabilities and loopholes exist in current legislation. The ability for criminals, members of the state, and public sector to blur the lines between lawful and unlawful interactions makes it intrinsically difficult for authorities to intervene and prosecute individuals involved in these networks (Jean Comaroff 2008). However, it does allow for a revision of legislation that can be pointed to avoid the ease of these blurred transactions in the future allowing authorities greater opportunity for prosecution. Additionally, this reinforces the argument that authorities cannot only focus on dark agents labelled as 'criminals' but need to expand their focus onto grey agents and those within lawful sectors of society who play a role within these illicit networks. If 'grey' nodes continue to operate within lawful and unlawful boundaries without investigation and prosecution, a network such as this one will continue to gain economic, social and political capital



**Figure 3: Lifman Network**

Identifying businessman, criminals, protection businesses and public officials as the most significant nodes in the operation of this network is useful as it reveals grey nodes; private actors who have links and interactions with the criminal world and operate both in lawful social structures as well as unlawful structures. Thus, this reveals strong evidence of a combination of nodes in various sectors of society that work together to sustain the operation of this criminal network.

#### **4.2 The Network of Glen Agliotti**

The second case example where SNA shall be used in understanding an example of organised crime is the criminal network surrounding Glen Agliotti. Glen Agliotti is a convicted drug smuggler and high-profile businessman, filling the position of Director at Elderberry Investments 98

and Director of Chieftain Investments 5. Agliotti is at the centre of an intricate criminal network linking a diverse range of agents together that help to facilitate illegal businesses (Pauw 2017). Although Agliotti has primarily operated in Gauteng, his networks and activities have infiltrated into Western Cape territory to which he even has indirect links to Lifman's network.

Agliotti made headlines when he became a key suspect in the murder of Brett Kebble as well as being accused for his role in a drug-smuggling syndicate (Eliseev 2006). As stated by Basson,

"Agliotti is very smart... street smart. He presents the image of being clean, a good father and well dressed with expensive perfume. But this is a man who was convicted of being part of huge international drug smuggling rings where hashish was trafficked from Pakistan through Iran and the Netherlands, to South Africa. He's a big player." (Waal 2010).

Agliotti's operations have infiltrated the Western Cape in several ways. He has been the prime suspect against allegations of murder and attempted murder against some local Cape Town residents, such as, Stephen Midenhall from Claremont in the district of Cape Town (The State versus Norbet Glenn Agliotti 2010).

Agliotti's network reveals blatant practice of nepotism, corruption and a blurring of boundaries between friendship, business, illicit and licit activities. Furthermore, this study not only proves that networks of durable participation work to drive and sustain organised crime, but that these networks spill into legal sectors of society.

### **Key Nodes in Agliotti's Network**

#### ***Jackie Selebi***

Jackie Selebi was appointed National Commissioner of the South African Police Service and appointed President of Interpol (African region) in 2004. Following mounting criticism against Selebi's nonchalant approach towards issues of crime in South Africa as well as rumours of suspicious dealings, the National Prosecuting Authority (NPA) issued a warrant for his arrest in 2007 on charges of corruption, racketeering, fraud and defeating the ends of justice (Newham 2010). Following these charges, Selebi was suspended as National Commissioner and was placed on indefinite,

extended leave, which led him to resign as president of Interpol. In 2010, Selebi was found guilty of charges of corruption and sentenced to 15 years imprisonment. The court case states in summary that, "his conviction arose from his dealings with Mr Glen Norbet Agliotti and the appeal is against the finding by the trial court that he had received certain payments and benefits in kind from Agliotti and provided quid pro quo for such payments and/or benefits" (Selebi v State 2011).

Selebi had a close friendship with Agliotti throughout his career as Commissioner. The court case revealed that their corrupt relationship entailed, among other, the sharing of confidential information on police investigations, protection of Agliotti against criminal investigation, attempting to influence prosecution processes against those in Agliotti's network and granting Agliotti preferential treatment from SAPS. Agliotti played the role of 'fixer' and organised communication between Selebi and those willing to pay a high fee to access him and favours that a mutual relationship could offer. According to Waal (2010) the court case revealed that one such relationship existed with Brett Kebble. It was highlighted in the court case against Agliotti that Selebi, Kebble and Agliotti would often have dinner together

Despite Selebi's position as a National Commissioner and Agliotti being a convicted drug smuggler and a key suspect in Kebble's murder, Selebi maintains he was unaware of his friends dealings in the criminal world nor did he assist in any illicit business or allow Agliotti to 'sell him' to his friends and business partners (Waal 2010). However, Selebi failed to press forward with investigations into suspected activity and was often called upon by Agliotti when legal difficulties arose at airports and crime scenes. Furthermore, when Agliotti was named prime suspect for Kebble's murder and was unreachable and un-contactable by investigating police, Selebi obtained a private contact number for him but refused to hand over these contact details to SAPS. Nevertheless, Selebi was found guilty of accepting R166 000 worth of bribes from Agliotti in exchange for access to confidential police reports and sentenced to imprisonment (Selebi v State 2011). Agliotti was the State's key witness against its prosecution of Selebi.

### ***Brett Kebble***

Brett Kebble was a South African mining magnate running JCI, Western Areas and Randgold & Exploration. Agliotti and Kebble share a business tie as Kebble employed Agliotti as a consultant for his gold mining company, JCI. Kebble had houses in Cape Town and Johannesburg and commuted frequently between the two cities for business (The State versus Norbet Glenn Agliotti 2010). Agliotti was also a prime suspect in the murder of Kebble, although he denied the allegation and was acquitted of charges in 2010. Revealed by the *Mail & Guardian*, Kebble was a prominent donor towards the ANC and its youth league, donating at least R10 million of fraudulent and stolen money as well as gifting ANC members with houses and cars (Mail & Gaurdian 2007). This money would never be directly paid into an ANC account, thus leaving a paper trail, but used conduits to carry out these transactions. Public documents suggest that the, "ANC had a considerable appetite for Kebble's money and was apparently unconcerned that the funds flowed to the party in ways that should have raised concerns about money laundering" (Phillip de Wet 2014). Court papers have revealed that in return for his donations, Kebble "obtained the benefit of access to political decision-makers and lawmakers that would be beneficial to him, both directly and indirectly, by virtue of its benefits to the companies in which he had an interest" (Phillip de Wet 2014).

Through Agliotti, Kebble shared an indirect link to Selebi. Based on Agliotti's friendship with Selebi, the Kebble's made available R12 million to Agliotti in return for 'off the record' co-operation from Selebi that could protect illicit business activities. In return for his co-operation, Selebi would receive payments and gifts from Agliotti. Selebi and Agliotti are said to have attended flamboyant dinner parties at the Kebbles', where criminal cases against Kebble's father were allegedly discussed. Thus, all three benefitted via their connections with one another through financial, protection or information gains.

### ***Jacques Nel***

Jacques Nel is a former policeman and close associate of Agliotti. Nel appears to be one of Agliotti's fixers who had been involved in offering tax solutions for elite businessmen. Although the ability for Agliotti and those in his network to offer legal and successful solutions seems false, they have still managed to retrieve considerable sums of money for these activities. One such tax scheme is a case involving billionaire, Dave King. Although King turned down Agliotti's direct offer to solve his tax problems

with SARS, Nel later introduced King to former SARS high-flyer employee, Leonard Radebe. Radebe appears to own a shelf company, *AST Africa Trading 449*, that is the legal vehicle for Nel's security company, *Lateral Solutions*. Although Nel is Radebe's main point of contact, he has confirmed that he has met Agliotti through Nel (Dawes 2008).

### ***Clinton Nassif***

Clinton Nassif is a former owner of Central National Security Group and security boss to Brett Kebble. Nassif was introduced to Kebble through Agliotti who suggested a business partnership. At their meetings Nassif recalls Agliotti boasting about his close friendship with Selebi and being informed by Agliotti that he handles Kebble implying that any meetings held with Kebble should be conducted through him (Basson 2010).

Nassif was often given lists of names from Agliotti or Kebble of people who need to be 'taken care of' (The State versus Norbet Glenn Agliotti 2010). Nassif would often sub-contract these jobs to "heavies" such as Michael Schultz, Nigel McGurk and Faizel Smith. For example, it is suggested that Kebble assigned Nassif a hit-list which included former Allen Gray chief investment officer, Stephen Mildenhall. Nassif then ordered Schultz and his team to go to Cape Town to spy on Mildenhall (The State versus Norbet Glenn Agliotti 2010). These three men then carried out an attempted hit on Mildenhall, who was allegedly preventing an Investec investment towards Kebble's company, JCI. These men are also known to have carried out the murder of Kebble. Nassif earned the name "King Rat" after testifying against Agliotti for immunity in the murder trial of Kebble.

### **Case Study Conclusion**

Referring to Chapter Three's analysis of criminal networks, this case study verifies that an instrumental approach is more conducive to understanding modern organised crime in South Africa than is a substantive approach. A substantive approach assumes that the relations are enduring and repeated. As explored above, although close partnerships are created and maintained, sub-contracts are used to carry out tasks that can be both continuous and once off. Furthermore, these relations can end abruptly

with the murder of partners, like in the case of Kebble. These changes in ties inevitably change the network and how it is organised. This point also contests the final characteristic of a substantive approach that assumes there is a 'lack [of] a legitimate organisational authority to arbitrate and resolve dispute[s] that may arise during the exchange[s]'.

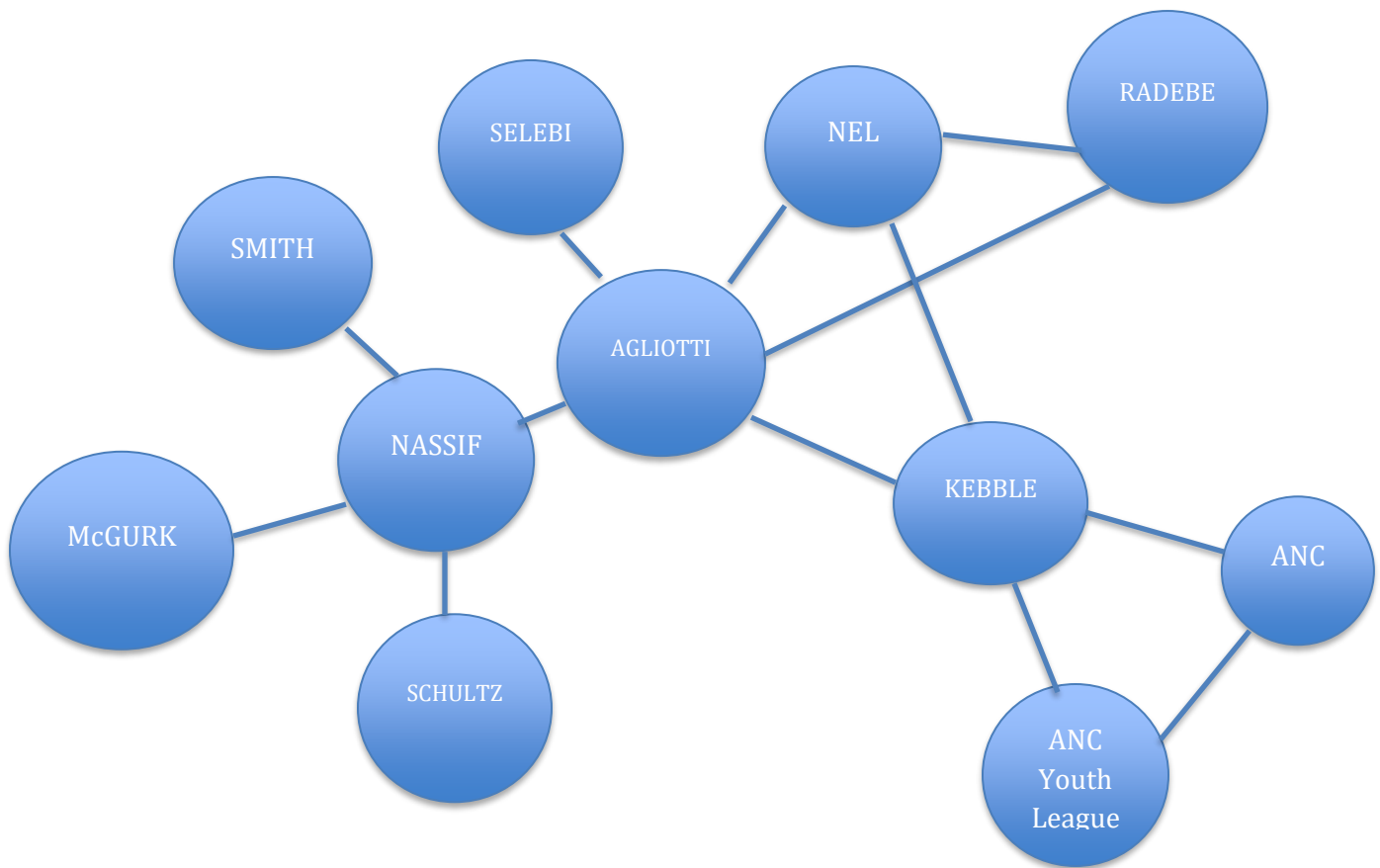


Figure 4: Agliotti Network

An instrumental approach believes that within a network there will always be dominant actors who are centralised within the network and hold key positions for the transaction of information and business. Agliotti firmly holds this position. He remains the dominant influence and fixer between nodes. Although Selebi attended meetings and dinners with Kebble, it is through the link of Agliotti that they are connected and can gain benefits from one another. Through his friendship with Selebi, Agliotti can profit by selling his friends' ability to supply confidential police information and protection. Nel became a business acquaintance of Kebble through Agliotti. Unlike dominant perceptions of hierarchical organised criminal

groups, operating in the public domain and relying more on intricate networks seems to be the mode of operation followed by Agliotti and the network that surrounds him. Although some actors are more dominant and influential than others, they rely on each other for various attributes, whether it be financial, protection, security or influence. However, they all benefit in some way and work in an organised mode to achieve and sustain profits from their criminal activities.

SNA becomes a useful tool as it works to explain the social structures of organised crime without assuming how these relationships should be constructed (based on orthodox assumptions and bias). SNA can be used to map out strategic relationships formed (like that of Agliotti and Selebi), who is at the centre of this network (Agliotti), who is on the periphery (Nel) and what roles are played by participants and how these roles drive organised crime. From this brief analysis it can be gathered that Agliotti fixes together all the actors necessary to carry out lucrative operations. Kebble provides financial assistance and incentive, Selebi contributes confidential law enforcement information and protection and Nel provides the 'security' to make sure debts are collected and money continues to flow through the network.

### **4.3 Conclusion**

These case studies were employed to conclude what local networks may look like in the Western Cape, who is involved, how they operate and what type of relations they share with the State.

An instrumental approach considering organised crime as a criminal network made up of nodes and ties was indeed a useful tool in analysing the structure, actors and roles within a organised criminal group. Not adhering to stereotypes that may assume actors to be of a certain citizenship, race, or sector of society is indeed needed as the above case studies reveal the dynamic range of actors involved in one network. It is evident that there are active players who can be classified as criminals, businessmen, public officials and politicians. Crucially though, we begin to pick apart evidence of corruption and state capture.

Although these are two networks that can be studied separately, it is vital to note how they have active ties to one another. Agliotti and Lifman are familiar with one another. Therefore to view their organisations as separate hierarchical organisations, rather than intertwining networks would inhibit a full understanding of the fluid and far-reaching nature of organised crime.

The limitations found with SNA do need to be highlighted. The information used to map nodes and their interactions primarily derive from media sources. This means that the information is likely to be incomplete, with some actors and links going undetected and therefore not reported by the media. They will therefore not be known or identified in this network map, which making it likely to be an incomplete picture. The data also does not provide any socio-economic information on those involved. By being able to identify significant networks, SNA may be used to pre-empt crime; however there is a need to supplement this SNA with richer data that includes structural factors driving criminal activity.

Despite some obvious limitations, this case study proves that SNA can be a useful tool to understand criminal networks, and the contexts in which they arise. Therefore, with the right data and skill set, SNA provides a method of conceptualizing organised crime in a way that helps us understand what organised crime looks like, how it is structured and operates, and who are key players. However, SNA should not be used in isolation as a one-fix method of crime prevention and understanding. An holistic approach that includes a socio-economic perspective will always play a pivotal role. Working towards bridging socio-economic structures of oppression will be half of the job in breaking down organised crime. As eloquently spoken by W. Edwards Deming: 'A bad system will beat a good person anytime'.

## Conclusion

Organised crime has become endemic to South African society, particularly within the Western Cape as Cape Town remains one of the most dangerous cities in the world. Boundaries between State and criminal entities blur and overlap and this calls for a wider understanding of what constitutes organised crime. Recognising organised criminal groups as *networks* made up of nodes that share ties which allows for greater context and understanding of organised crime in South Africa. Nodes assume numerous identities, such as state personnel, politicians, policemen and powerful businessmen demonstrating there is no a clear distinction between 'criminal' and 'state'.

Outlined in the introduction is that organised crime is not a new concept or phenomenon. However, the ways in which it should be identified, and recognising how it operates and who its perpetrators are requires a deeper theoretical understanding of how these groups operate and sustain themselves. As these criminal groups become increasingly sophisticated orthodox conceptions of organised crime no longer suffice in grounding our ability to understand its occurrence and manifestations. Prescribed concepts of organised crime as anti-social, operating on the fringes of society, a corrupting force towards an otherwise healthy law-abiding nation and infiltrators of the legal economy are no longer relevant. It has become increasingly evident that the fight against organised crime is exceedingly a fight against *criminal networks* that tie various types of nodes together that previously were not emphasised. These networks are fluid, interchangeable, dynamic and unite an array of actors who play various roles in sustaining and driving organised crime. 'Criminals' are no longer easily distinguishable from 'ordinary citizens' nor are they assumedly strictly separate from the State. Identifying the insufficiency of orthodox approaches to organised crime prompted the fundamental research questions of this thesis which were:

*'How does the concept of 'criminal networks' assist in analysing organised crime's structure, mode of operation and longevity?'*, and, *'What*

*significance does social network analyses contribute both theoretically and empirically to our understanding of organised crime?’*

These research questions were explored through a comprehensive literature review as well as through the methodological tool of Social Network Analysis that critically analysed and problematised orthodox approaches to organised crime. Understanding social and criminal networks becomes fundamental when analysing organised crime. It is the intricate relationships, bribery and violence that allows organised criminal groups to manipulate institutions within security, juridical and even legislative branches both regionally and internationally, (Salcedo-Albaran 2010). This in turn allows illicit activity and the criminal economy to remain largely untouchable and impenetrable by law enforcement (Arias 2006). This keeps multiple avenues of crime alive, but more importantly strengthens criminal governance within regions of a city or country which can eventually become an issue of state security. In this analysis it was concluded that organised criminal groups should be conceptualised as *criminal networks*.

Within the context of South Africa, it was shown that the political climate during the apartheid era created national isolation that kept illicit networks and activity localised. However criminal networks did exist. These foundations of organised crime were exacerbated once South Africa transitioned to democracy. Networks spread wider both nationally and globally as borders were opened with the termination of international sanctions. Cliental grew alongside the flow of new and diverse illicit products that could now make their way into South Africa. Networks that existed during apartheid not only remained intact during the transition but grew in sophistication and operation. More importantly however, ties between State and crime notable during apartheid also subsisted post 1994. This is made evident in the two case studies conducted in chapter four and prompted an additional research question asking:

*What is the relationship between State and organised crime?*

It was found that despite orthodox conceptions of crime and State that see these as opposing concepts, State being the legitimate body of rule of law and violence, while crime attempts to corrupt this, a symbiotic relationship was evident. Case studies were used to produce vivid

examples of how crime and the State can interact symbiotically. The choice to use two focused case study was intentional for two reasons: firstly, there is a lacking in empirical research being done to test the theory of *networks* and *SNA* against and therefore focused case studies are urgently needed in this discourse. Secondly, US-centric and Euro-centric discourses dominate the field of organized crime yet should not be blindly adhered too. As this thesis has shown, context is key and therefore one needs to understand a specific case study to transform analytical frameworks to comprehend the local context.

South Africa's political history has created specific structural contexts that do not adhere to orthodox assumptions. Both Agliotti and Lifman have extensive networks that involve an array of professional, criminal and State actors that all play a role in sustaining and benefitting off crime. They do not operate on the fringes of society but are embedded within varied lawful and unlawful businesses and actors. These actors do not fit with the 'alien conspiracy theory' but involve many local agents who play integral roles. Furthermore, the structure of these groups is not one of hierarchy but of a network, with various agents bringing varied skills, attributes and expertise to create a functioning organised group. Although there are dominant players who could be labelled 'boss', they cannot work in isolation. Agliotti and Lifman rely on their connections with the State for financial and security benefits. Additionally, both these nodes could not conduct efficient business without having ties to financially wealthy nodes (e.g., Brett Kebble), and nodes who have armies of soldiers to see that business runs smoothly and debts are paid and collected (e.g., Jerome Booyesen and members of his gang).

It is evident therefore that orthodox approaches towards breaking down organised crime no longer suffice. This is particularly so when these approaches often rely on law enforcement responses that priorities incarceration and legal justice institutions to curb crime. As explored however, incarceration shows no indication of curbing crime, in fact, within the context of South Africa, it can be argued to be a breeding ground for criminals. Furthermore, when you have criminals infiltrating State institutions, their reliability is questionable.

Consequently, this thesis concludes that using a social network approach to conceive and frame criminal networks is most favourable.

Rather than merely relying on *a priori* theoretical classifications, SNA uses empirical determinations to theoretically and visually map out criminal networks. One of the greatest attributes of this theoretical framework is the ability for SNA to reveal criminal and State nodes that are tied together. As shown in the case studies, State-crime relations make penetrating and breaking down organised criminal networks increasingly difficult. If one can recognise key nodes and piece together the various ties and relationships expanding outward, it becomes easier to comprehend the nature of the network, those who are most active and how to start breaking them down.

However, despite the strengths of conceptualising organised crime as *criminal networks* and using SNA as a theoretical tool to understand and map out these networks, it would be foolish to assume that this approach can stand alone in making significant strides towards deterring organised crime. South Africa's tumultuous history has deeply impacted the political and socio-economic fabric of our society. Engaging with issues that exacerbate crime, such as poverty, poor access to public services and resources as well as social and geographic exclusion from the formal economy remain crucial elements behind understanding and approaching crime within our country. A holistic approach that serves to not only comprehend who perpetrates crime but why so many communities are willing to abide and protect these networks needs to be consulted. A synthesis of multiple disciplines that can account for the various processes that perpetuate crime is needed. Rather than criminologists, public officials, academics and policy advisors working in isolation within their fields, combining these fields to shape the conception of *network* from all angles will be paramount.

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