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The social contradictions of organised crime on the Cape Flats

André Standing
Institute for Security Studies

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The starting point for this paper was the realisation that certain prominent members of organised crime on the Cape Flats receive a significant degree of community support. On the surface, this contradicts the orthodox depiction of organised crime as being an anti-social and loathsome phenomena—in mainstream publications and commentary, provided by academia, law enforcement and politicians, organised crime is portrayed as a corrupt external force akin to a social virus. For example, at the opening of the United Nations conference on the Convention on Transnational Organised Crime in 2001, Kofi Annan famously described organised crime as ‘uncivil society’, an evil force that undoes the ‘good works of civil society’.

In response to this apparent contradiction, the broad theme of this paper is to explore the relations between organised crime and the communities that make up the Cape Flats. More specifically, it looks at the probable reasons behind community support for criminals and discusses whether these sentiments are justified.

It is not the aim of this paper to suggest organised crime is simply good. Indeed, the paper suggests that organised crime has particularly damaging implications. However, traditional analysis of the social impact of organised crime has a tendency to be simplistic. In areas such as the Cape Flats, while the related violence will never cease to shock and depress, the criminal economy can not be perceived as a force that is simply an external threat to society; it is no longer a fringe activity perpetrated by outsiders who can be easily separated from a normal legal society containing good citizens. On the Cape Flats the criminal economy is substantial, its various boundaries blur with other economic and social activities and it involves thousands of people. It is therefore a core dimension of the community. What is more, in impoverished areas that have been neglected by both capital and the state, the criminal economy can develop social dimensions. Organised crime may represent a rational response of survival and resistance. Thus, in order to explore the impact of organised crime, one needs to appreciate how the anti-social dimension of organised crime both co-exists with, as well as relies upon, its social aspects.

THE CRIMINAL ECONOMY OF THE CAPE FLATS

Cape Town provides one of the most vivid examples of urban crisis attributed to late modern capitalism. It is a city of stark contrasts and social fragmentation—built first on the policies of apartheid and now seemingly exacerbated by the dynamics of a marketised economy. The population of Cape Town is deeply polarised; economically, socially, racially and spatially. Put crudely, the white populations live in an affluent cosmopolitan area at the base of Table Mountain and on the fringe of the coast, a region rapidly becoming the darling of global tourism. The vast majority of the ‘non-white’ population live in a sprawling suburban region established through ‘forced removals’ during apartheid. Due to its geography this area is known as the ‘Cape Flats’. Within the Cape Flats there is further racial, economic and spatial segregation—there are the more populous ‘coloured’ communities (an ambiguous catch-all term for lighter skinned mixed race people devised by the architects of apartheid), and the less numerous, but more densely populated, African townships.

While the standard of living varies from one area to the next, one can generalise by saying that the Cape Flats is unacceptably impoverished. Unemployment rates have reached exceptionally high levels. A recent survey of two areas of the Cape Flats conducted by
SALDRU revealed the unemployment rate to be approximately 46%.

For those under the age of 30, unemployment was recorded at 61%. Even those who do gain regular employment face low wages and a highly ‘flexible’ labour market. Thus, wage labour can be uncertain, occasional and insufficient. The Cape Flats is therefore home to a vast number of people and families who precariously exist outside the formal economy—what many social scientists refer to as being ‘socially excluded’.

In addition to the low income of residents, the infrastructure of the Cape Flats is also unacceptably poor. Again, here we see the sad legacy of apartheid rule that channelled the lion’s share of state funds into white areas. Although the ANC seem to have made some real improvements in redistributing wealth, their impact is at best modest. Thus, in poor areas such as the Cape Flats, local state schools and hospitals claim severe under-funding and overcrowding. Many communal areas have been left derelict and there is very little outside investment from the private sector.

It is in this context that one finds depressing social features shared by numerous other urban ghettos that have emerged worldwide in the last 30 years (including in America, South America and many parts of Europe). Most notable are ill health, stress, the adverse effects of drug dependency, family fragmentation, school truancy and exceptionally high levels of inter-personal conflict, especially domestic violence and assaults involving knives and guns. Of the latter, some snapshots may prove illuminating. In the Western Cape the official homicide rate for the period 1999–2000 was 91 per 100 000 people. In the first five months of 2001 alone, there were 103 registered murders on the Cape Flats, while in May 2003 there were 37 murders attributed to gang violence. In March 2003, on separate evenings, stray bullets from gang fights hit five children, four of whom died from their injuries. In Mannenberg, a community comprising roughly 6 000 people, the local school is surrounded by an electric fence to keep ‘gangsters’ out, and barbed wire and bullet-proof windows protect the few inhabited public buildings. Reporting on two local academic studies into children’s experience of violence on the Cape Flats, the Cape Argus stated:

Ninety-seven per cent [of children surveyed] reported hearing gunshots, nearly half had seen the dead body of a stranger and nearly as many the dead body of a relative, or somebody they knew, who had died from unnatural causes. Many had seen people being shot or stabbed, and more than a third of them had seen somebody shot or stabbed in their own homes.

Several had themselves been shot, stabbed or raped, or been threatened with a gun or a knife...The study found that more than one in 10 of the children had been shot at while at a taxi rank, more than one in five knew somebody who had been shot and killed while in a taxi, and more than one in 20 had a relative who had been shot and killed while in a taxi...Another earlier study showed nearly 17% of children and teenagers at school in a specific area of Khayelitsha with high levels of violence had suffered post traumatic stress disorder. This study again turned up ‘unacceptably high levels of distress symptoms’ among a different group of children, resulting in disturbed eating and sleeping patterns, as well as disturbed concentration and spontaneity.

The high level of violence on the Cape Flats has, understandably, made the area menacing to outsiders. Many zones are considered ‘out of bounds’ for non-residents due to street gangs and the risk of violent assault or hi-jacking. The state, in trying to deal with this situation, has shown a tendency towards aggressive, if somewhat sporadic, policing tactics. There is a feeling among some senior policy makers that pursuing ‘soft’ developmental policies in these areas is futile unless coupled with a concerted effort to establish law and order. Thus, in the past five years the Cape Flats has witnessed a series of special operations designed to arrest gangsters and well-known criminals. While most acknowledge that these efforts have failed to significantly reduce crime in the area, some sense that the local authorities are increasingly turning to punitive measures to control areas deemed ‘ungovernable’. The most concrete result of this tendency has been a dramatic swelling of the local criminal justice system—according to prison authorities, Cape Town’s prisons contain roughly double the numbers they were designed to hold. While there are no available statistics yet, what seems certain is that a large number of young coloured people living on the Cape Flats experience time in prison or in reformatories. The social and economic impact of this situation should be considered profound.

**THE STRUCTURE OF THE CRIMINAL ECONOMY**

It would be misleading to suggest that the Cape Flats is home to the most powerful forms of organised crime in South Africa, or even in the area surrounding Cape Town. However, illicit income-generating activities,
such as prostitution and dealing in drugs, arms and stolen property, represent a major sector of the local economy. This part of the paper provides an overview of the organisation of these criminal activities. In doing so it tentatively offers an alternative approach to conceptualising organised crime in South Africa.

The orthodox perception in South Africa has tended to depict organised crime as a distinct criminal entity comprising culturally homogenous criminals. These criminal structures are seen as rational and cohesive, which perhaps adds to their threatening appeal. As argued elsewhere, the evidence for this outlook is unclear—the relations between criminals and groups involved in ongoing criminal activity are often blurred and may implicate a wide range of cultures and people, including professionals and those in public office as well as career criminals. Therefore, what is needed is a wider outlook that seeks to expose the structure and dynamics of criminal networks and competition. This can be referred to as the study of criminal economies.

The model of the criminal economy on the Cape Flats, to be described below, resembles the model of the Sicilian Mafia developed by Henner Hess. It therefore comprises a series of criminal domains, each centred on a powerful individual commonly referred to as a ‘gang leader’, a ‘crime boss’ or more flattering as a ‘drug lord’. Each of these domains has a supporting base of followers—similar to what Hess referred to as a cosca. For the most part, this base comprises a loose association of street gangs and career criminals, all commonly labelled as gangsters. In addition to the base, each of the criminal elites relies on enduring partnerships with various professionals, foreign criminal entrepreneurs and corrupt members of the state: police; judges, local politicians and so on. The sum of these corrupt associations was termed by Hess as the partito—an area of the criminal economy where the distinctions between white collar crime, organised crime and state crime blur and overlap.

The criminal elite
The number of criminal domains is difficult to establish and will change over time. However, there seem to be roughly 10 to 20 men who lay claim to being in control of significant areas of the Cape Flats and who share the characteristics of the criminal elite.

The careers of these men tend to follow a similar pattern. All originate from poor coloured communities and remain attached to the areas where they grew up. They are therefore ‘local’ men. Though most subsequently moved away from the Cape Flats, buying property and living in some of the more affluent areas of Cape Town, they remain firmly attached to the regions of the Flats where they have power and are well known to locals in this area. Typically they own one or several houses on the Flats, which are used as informal community centres from which alcohol and drugs are sold and consumed. These houses are known locally as ‘shebeens’.

The popular narratives of how these men rose to power stress acts of excessive violence, often including assaulting police as well as other rival criminals. Yet they are also frequently seen as men with a special intellect, although few, if any, have been educated beyond the minimum age for leaving school. All, without exception, have spent time in prison and are members of the country’s infamous prison gangs, although many do not hold high-ranking positions in these gangs—wealth and power on the outside does not always translate to power on the inside.

Their considerable personal fortunes are achieved by assuming a critical position in the local criminal economy. Most importantly, they control the distribution and sale of alcohol and drugs in their areas. In addition some control a local sex industry, export stolen cars, sell stolen firearms and also arrange the theft of goods from factories and warehouses to be resold in their domains. However, rarely is illicit trade their only economic interest and each has a broad business portfolio, incorporating hotels, night clubs, public transport, garages, shops and commercial fishing boats.

The relationship between the criminal elite and street gangs is ambiguous and often misunderstood. Many people outside the Flats assume that all drug merchants are gang leaders. Indeed, many of the criminal elite have risen through the ranks of street gangs and are leaders of some of the larger gang structures. However, not all leaders of criminal domains are still gang members, and many will employ a large number of specialist personnel who also fall outside street gang affiliations.

The relationships among those who form the criminal elite are also ambiguous and highly changeable. There are clear rivalries and attempted assassinations between leaders are not unheard of. However, various factors reduce the potential for expanding criminal domains. The sheer number of armed gang members on the Cape Flats means a bid to significantly expand areas of influence will result in much bloodshed and potentially damaging publicity. Moreover, as all the criminal elite are members of the closely related prison gangs, murders on the outside may conflict prison politics on the inside—criminal leaders are reluctant to betray prison gang loyalties as they know it is almost guaranteed that they will ‘do time’ in the future. Thus, despite underlying tensions, the various domains are kept relatively in check and each subsequently operates with a degree of autonomy.
More congenial attempts at forming partnerships have been explored, although with limited success. For example, during the intensification of vigilantism against drug dealers that began in 1996, many of the region’s prominent crime leaders formed a syndicate, later known as ‘The Firm’. According to outsiders The Firm was rumoured to co-ordinate drug sales and offer increased protection for its members. However, as testimony to the looseness of the business environment on the Flats, when the threat from vigilantism waned The Firm gradually lost members, amid apparent bickering in its ranks. It is unclear if strong trade associations still exist between various criminal elites.

The base
The base of each criminal domain comprises members of numerous street gangs. A minority of street gangs may operate as lone entities outside these domains. This is especially true in areas on the fringe of the Cape Flats, including the more rural areas. However, for reasons described below, most street gangs are eventually enticed into an existing domain.

It is almost impossible to count how many individual street gangs there are on the Flats. According to experts in the police, there are roughly 120, but the boundaries between separate gangs are hard to define and many merge or die out. In 1984 Don Pinnock estimated the number of gang members to be roughly 100 000, and many people feel that there are now far more. Irrespective of the exact figure, the proportion of those who are socially excluded that join gangs should be considered considerable and alarming—indeed, young men who resist joining gangs are noted as having exceptional traits. Stereotypically street gangs are made up of young people, but gangs on the Flats contain all age groups though the older members may be less active.

As is to be expected, with such a high number of gangs there is a great deal of variety in their structure and characteristics. Of the numerous Cape Flats gangs, a small number have become much larger than the rest—becoming what we may refer to as primary gangs. The largest at the moment is the Americans gang, which is closely rivaled by the Hard Livings Kids (often referred to just as the ‘Hard Livings’). Both have a membership of several thousand, have outlived their original leadership core and now operate in pockets throughout the region.

A hierarchy governs each of these primary gangs. At the top are a few men who share overall command and can be considered members of the criminal elite. Beneath this upper tier are several ‘area generals’ who are responsible for members in various pockets of the Cape Flats. The generals act as middlemen in the organisation, who mobilise their members in times of gang conflicts and who also run local business interests, such as fencing stolen goods, selling drugs, running unlicensed drinking houses and so on. Beneath the area generals are the majority of gang members, some of whom may be employed on an ongoing or ad-hoc basis for special purposes, i.e. bodyguards, intelligence officers, assassins, financiers etc. However, it is important to note that the majority of the non-skilled members of the primary gangs are not involved directly in trades operated by the upper tier and will therefore not be party to any profits—the business interests of the upper tier are a privilege and are detached from the rest of the group. Indeed, viewed in relation to the drug trade, most low ranking members of street gangs are more accurately defined as consumers.

Due to their sheer number, members of the primary gangs do not operate together en mass. However, sustaining the gang’s unity and self-identity is achieved via a combination of a shared culture (members share specific tattoos, dress codes and slang), via a general animosity to outsiders and partly via collective memories of the gang’s past—stories of gang fights and the histories of their leaders. The resulting loyalty is tested in times of gang conflicts when members are expected to band together and fight.

A plethora of small gangs form and die out on a regular basis. Most of these short-lived groups last as long as their initial members and some consist of no more than 10 individuals. Unlike the primary gangs, they approximate the classic notion of a gang in as much as they are egalitarian, move together in a group and share a common territory. Because of their smaller size, all emerging gangs are bound to one territory. It is for this reason that many communities of the Cape Flats have developed into complex patchwork of areas, in each of which one gang resides. Such is the density of gang boundaries that many gang members’ lives are highly claustrophobic, as they are confined to one small block of streets.

Due to this peculiar existence, two considerations are key for emerging gangs: the threat of conflict and economic survival. The latter can be seriously compromised by restrictions in mobility, as many earning opportunities will require travelling through rival gangs’ territories. A common means of resolving these constraints is via affiliations with prominent criminal elites. Typically this affiliation involves a crime boss offering protection to the emerging gang and supplying them with weapons. In return, the emerging gang is expected to offer support in conflicts, as well as dealing in commodities supplied only by the boss. Thus, this arrangement works for both parties—the smaller gang is provided with protection and an income, whereas the member of the criminal elite increases his domain.
It may also be the case that for small gangs such affiliations provide increasing mobility, as they will be able to roam through territories that were previously out of bounds.

The allegiances between emerging gangs, the larger gang structures and the criminal elite are crucial for an understanding of gang conflicts. Due to the density of gang allegiances a relatively small trigger can spark a conflict involving numerous gangs, which can escalate rapidly into a ‘gang war’. However, the allegiances are also crucial to understanding the domains of the criminal economy. The network of affiliations established and controlled by the criminal elite allows a relatively small number of powerful individuals to regulate and expand the flow of certain key goods throughout the Cape Flats.

**Corrupt relations**

The relationships between the criminal elite and various officials and businessmen is the hardest dimension of the criminal domains to research. Unlike the rather conspicuous criminal elite and the visible street gangs, officials and businessmen strive to keep their position in the criminal economy secret. The _partito_, as Hess called it, is, however, a crucial aspect of each domain for without the services and favours offered by strategically placed officials and professionals, the wealth and security of the criminal elite would be dramatically diminished.

As is described in more detail below, their status as individuals with considerable local power means many crime bosses develop relations with local police officers and local politicians. Although these relations may be based on bribery, they are at times also based on political and strategic associations—the crime boss can offer information and influence in ‘his’ community and in return the police and politicians can offer a degree of respectability and perhaps protection from prosecution or investigation. This is not to suggest that a majority of police and local state officials rely on corrupt links with organised crime, but rather that there is a tendency for a minority to do so. Irrefutable evidence for this is not abundant although few people, not even within state institutions, pretend that such arrangements do not exist. Indeed, in a telephone survey conducted in 1997 only 4% of Cape Flats respondents thought there was no corruption in the police force.19

What is less clear is the collusion of officials in illicit trade, although again such allegations are common and taken for granted by many. The origin of many of these accusations—as with so many aspects of the criminal economy on the Cape Flats—can be traced to the period of apartheid. As described most lucidly by Stephen Ellis,20 towards the end of apartheid rule the security forces developed covert relations with various strategically placed criminals. These relations were formed partly to help with clandestine business activities, such as sanctions busting and the illegal trade in weapons and ivory, and also to assist with the domestic civil conflict against anti-state political movements. Ellis writes:

> Some explicitly criminal gangs have developed close relations with the security forces. This has produced within some sections of the security forces a highly ambiguous attitude towards certain types of crime. During the last phase of the guerrilla war some police and army officers even developed criminal enterprises of their own, such as in weapons, gems, ivory and marijuana trades, partly for their own profit and partly as a covert means of providing arms and funds for informal militias opposed to the ANC and the SACP. The range of state-sanctioned law-breaking included sophisticated operations and currency frauds which brought the government’s own secret services into business relationships with major smuggling syndicates, Italian Mafia money launderers and other operators in the international criminal underworld.21

On the Cape Flats, prominent gangsters are believed to have been used to plant bombs and carry out political assassinations. In return they were given weapons and granted immunity from the law as well as relative freedom to conduct illicit trade. It was these relations that are thought to have created the environment for the continued involvement of police and security officials in on-going illicit trade after the ANC was elected to power. For example, one application to the TRC, which received a high degree of credibility among the Committee’s researchers, accused a senior member of the new South African Police Service of trading in drugs and arms with the Hard Livings gang.22

Similarly, Irvin Kinnes writes:

> There have been consistent allegations of police complicity with gang members... This was once more revealed in January 2000 when police officers assisted the Hard Livings gang to break into a police base in Faure to steal firearms.23

In addition to potential links with police and politicians, the activities of the criminal elite bring them into contact with various professionals who help protect and expand their criminal fortunes, particularly lawyers and business consultants. These professionals are essential in keeping their clients out of prison, as well as ensuring that the
proceeds of crime are successfully laundered. Money laundering is becoming a key topic in the fight against organised crime in Southern Africa and thus those with expertise in this field will become increasingly valuable.

THE SOCIAL CONTRADICTIONS OF CRIME

Although the most vociferous commentators abhor crime and gangsters, not all residents of the Cape Flats feel moral outrage at those prominent in the criminal economy. Indeed, in pockets of the Cape Flats it is not unusual for communities to show considerable support for criminals who are elsewhere despised and feared. One can generalise by saying that for much of the time this support is difficult to detect and it is certainly difficult to measure. Support for criminals may only be evident by a willingness to ‘turn a blind eye’, or else it may surface when residents provide deliberate misinformation to investigating officers—a common grievance among the police. Of course, it may be the case that what seems to be community toleration stems in fact from community intimidation—residents are too scared to speak out because they fear reprisal. However while this is no doubt plausible, there have been numerous times when community support has been explicit and active. The Mail & Guardian reported that at a trial of the late Rashied Staggie, former head of the Hard Livings, women from his local community were heard shouting ‘Viva Staggie…He’s God’s gift. He’s the people’s hero’. The same report goes on to describe how, after his gruesome murder at the hands of a vigilante group, a mural was painted near his home that ‘dominated the decayed area not so much because of its size as its style—the heroic realist mode favoured by communists to portray idealised peasants’. Similarly, in a discussion with the author, a senior member of the ecumenical Church described an event in one community:

[In this area] 60% would be either unemployed or living off a social grant. One of the gang leaders who at that stage was estimated to be worth about R40 million was arrested by the police. That community reacted with anger, I mean there were some horrific scenes. In one night they raised half a million [Rand] in bail for the gang leader. For an impoverished community to raise that sort of money speaks volumes about the stature of this person…they saw their benefactor as being the victim of police brutality.

In pockets of the Cape Flats communities show considerable support for criminals who are elsewhere despised and feared

The only attempt so far to gather ‘hard data’ on sympathetic attitudes towards criminals was provided by the Public Opinion Service (POS) of the Institute for Democracy in South Africa (Idasa) via a telephone survey on crime, law enforcement and vigilantism conducted in 1996 and repeated in 1997. However, the survey of 500 residents of the Cape Flats suggested a very low level of support for criminals. Respondents were asked to what extent they felt ‘gangs made a positive contribution’ to their local community, to which only 14% responded that they did. Respondents were also asked ‘what persons or groups pose the greatest threat to the moral fabric of your community?’, in response to which 45% identified gangs as the greatest threat. This figure corresponds to a further study by POS on general attitudes towards governance in which 49% of respondents in the Western Cape felt that criminal violence was the most important problem facing their communities.

However, a serious weakness to this survey is the ambiguity in the concept of gangs. As described above, gangs and gangsterism are concepts that relate to a broad range of phenomena. Many of the low ranking impoverished members of street gangs tend towards antagonistic and anti-social behaviour, which brings them high levels of contempt in their communities. However, it seems that the criminal elite, only some of whom are closely related to gang structures, have both the means and the reason to develop more congenial relations in the community. In his study of violence on the Cape Flats Stephen Jensen explains this distinction well:

(Street gangs) are generally seen to cause more damage to ordinary people of the township, through theft, robberies, assaults, and intimidation, than the merchant. This emerged clearly in interviews with people of the township who were more afraid of the street gangs than of the merchant: ‘You can talk to the merchant. But these laities (young boys)—you cannot talk any sense to them. They are out of control’.

Any research on the Cape Flats that is concerned with community support for those individuals gaining their power through organised crime must grapple with the distinctions between street gangs and the criminal elite.

The following section of this paper considers three main reasons why organised crime gains support on the Cape Flats: by providing income, via community governance and via acts of philanthropy. In doing so, it takes note of the classic studies of ‘social crime’ provided by a
group of radical historians studying crime in eighteenth-century England, including Eric Hobsbawn and later, Edward Thompson. Through studies of bandits, smugglers and poachers, these scholars exposed illegal activities which were endorsed by peasant communities because of their defiance against laws that were increasingly aimed at protecting the wealth of the propertied classes. However, as stressed in these studies, social crime was not perpetrated by romantic Robin Hood-type figures. In reality, criminals were far less idealistic or socially consistent. Thompson and others introduced a text on the issue by explaining that they ‘found no evidence of a morally endorsed popular culture here and a deviant sub-culture there’. John Lea elaborated on this crucial aspect of social crime:

Crime both underlies and accentuates the destruction of communities and at the same time provides resources for survival and defence. This reinforces the necessity of exploring the contradictory elements in criminal activities and how they interact.

Therefore, what we must guard against is simply contrasting the mainstream tendency of seeing organised crime as anti-social with a view of organised crime as social. We must rather elaborate the social contradictions of organised crime.

Spoils of illicit trade
The starkest social contradiction of the criminal economy relates to the income that it provides. Here we see the roots of community support for the criminal economy, yet also the cause of many harms.

Given the vast number of people involved, it should be uncontroversial to state that the criminal economy delivers employment and goods to thousands of individuals who are socially excluded. Without income-generating crime and cheap stolen goods, the ‘dull ache of deprivation’ as described by Hein Marias would no doubt be felt more acutely. Thus, the criminal economy represents a rational, rather than deviant, response to economic hardship—what we may refer to as an adaptive mechanism.

While residents in more affluent areas may hold strong to a moral code that prohibits them from accepting the proceeds of crime or from purchasing illicit goods, many people feel that this is not relevant in some areas of the Cape Flats.

As one interviewee put it: ‘You cannot expect families to ask too many questions when food is put on the table’. This situation is accentuated by the fact that commodities that are viewed elsewhere as evil and dangerous are ‘every day’ commodities on the Flats, the buying and selling of which is a locally sanctioned activity. For example, trade in stolen goods—many of which originate from factories and affluent suburbs—is prevalent and involves a large number of people. Fieldwork research has revealed that in some areas of the Cape Flats residents are regularly offered stolen goods by ‘door-to-door salesmen’ who openly reveal where the goods originate. Similarly, illegal drinking houses run by well known criminals have become institutionalised and the consumption of prohibited drugs such as mandrax and marijuana are widespread and conspicuous.

There has therefore been a shift towards the ‘normalisation of drug use’, where certain substances cease to have deviant or shocking connotations. This is not to suggest that drug taking is considered a good or unproblematic activity among all people on the Flats. Indeed, the normalisation of drug use can lead to a moral backlash among those who feel increasingly threatened by the change in societal norms. The Cape Flats has therefore witnessed well-documented violence between anti-drug vigilantism and street gangs.

Widespread income generating crime that is both adaptive and normalised, suggests that the divide sustained in mainstream commentary between good business, on one hand, and sinister criminality on the other, may be conceptually misleading. Put simply, it seems attractive to argue that those participating in the criminal economy are motivated, not by an anti-social agenda, but by the same basic principles that motivate ‘normal’ business—principles that are encouraged by the mainstream consumer culture.

Indeed, the view that those engaged in organised crime arerationally innovative rather than simply deviant is shared by many in South Africa. It is not uncommon to hear police refer to crime bosses on the Cape Flats as ‘shrewd businessmen’. Similarly, Hein Marias wrote:

Many (South African) criminal enterprises are exemplars of entrepreneurship. Their most successful representatives excel at innovation [and] display an uncanny nose for market opportunities...It seems reasonable to suggest that the entrepreneurial excellence the government wishes to ignite in the legal small business sector is already prevalent in criminal activities.

Here it is interesting to note that interpreting organised crime as entrepreneurial has encouraged a small number of neo-liberal economists to suggest that income generating crime may be beneficial—in the long-term—for countries in economic crisis, and in particular those countries making the transition from...
command to market economies. Their argument is straightforward and based on optimism in the economic results of unfettered competition (i.e. the dynamics of the market). Thus, it is stated that organised criminals are ruthless pioneering capitalists who, inadvertently, will help kick start a local economy.

However, in the same way as the mainstream discourse simplistically portrays organised crime as sinister and counter-productive, it must be stressed that the illicit economy is not a satisfactory response to economic crises. Nor is there reason to believe that criminal economic activity, at least on the Cape Flats, will nurture a more progressive and prosperous economy.

Operating without formal regulation, the illicit economy displays the most vivid failings of free market enterprise, what we may refer to as ‘predatory capitalism’. Most strikingly, the spoils of crime are concentrated among a tiny minority, some of whom who have become multi-millionaires. Predatory capitalism allows winners to take all. Subsequently, the fortune of the criminal elite that is derived from business on the Cape Flats is spent on lavish goods manufactured elsewhere or is invested, as recommended by business consultants, in promising property and businesses, almost all of which are based in prosperous regions outside the Cape Flats. Capital accumulated by unrestricted competition, which in the classic model of capitalism was supposed to trickle down and enrich society, is in fact pumped out of the area.

The gross polarisation of wealth on the Cape Flats is largely dependent on the activities of the majority of the powerless in the crime boss’s community, especially the abundant members of territorial gangs. Unlike the boss who has properties in various areas and invests the proceeds of crime in prosperous industries, the average street gangster is confined to a small geographic area and is faced with far less secure. Here illicit economic activity is characterised by uncertainty and vulnerability. The criminal boss provides no income insurance or employment benefits, considered basic rights in the formal economy. What is more, few who engage in petty drug dealing or other forms of criminal trade escape arrest and prosecution. In prison the average employee of the criminal economy will receive no income from the outside and on his release he is not guaranteed re-employment, either in the illicit economy, which has an abundant supply of expendable workforce, or in the formal economy, which is typically closed to those with a criminal record. This experience can be contrasted with that of the criminal elite who, when occasionally forced to spend time in prison, continue to collect dividends from their business empires, which remain intact waiting for their release.

In sum, the income of the criminal economy represents a rational response to an economic crisis. Cheap stolen goods and profits from activities such as drug dealing receive popular support because they cushion the effects of poverty. This leads to a situation in which the activities of organised crime are tolerated by a substantial proportion of the community and subsequently criminality loses much of its deviant anti-social connotations. Yet the dynamics of the illicit economy undermines and exacerbates the social and economic condition of the Cape Flats. It perpetuates gross inequalities and restricts mobility.

**Criminal governance**

The second social dimension to the Cape’s criminal elite is related to their role in regulating aspects of community life. In this respect they bear resemblance to the classic Sicilian Mafioso, who functioned as a form of criminal governance in a region where the state was weak and ineffective.

In parts of the Cape Flats the prominence of non-state governance can be traced to the apartheid era. During this regime the government became preoccupied with issues of security threats and political rebellion while grossly underfunding ‘non-white’ areas. An irretrievable situation was created in which many areas became ‘ungovernable’, characterised by poverty and a deep-rooted animosity towards state institutions and representatives. As a reaction to this breach between state and certain communities, informal groups such as people’s courts and street committees were established to sort out disputes and deal with crime.

Unfortunately, although real efforts have been made to redress national government spending, it is widely recognised that the state is failing to control many of the poorer areas of the Cape Flats. Here the situation remains that local authorities are both underfunded and deeply mistrusted. This situation is pronounced in many coloured working class areas that have traditionally opposed ANC rule, particularly since many perceive that state spending in coloured areas has diminished...
since 1994 while spending in African communities has increased. Thus, the new government has continued to find ample evidence to view zones of the Cape Flats as hostile and out of control, typically locating the source of violence and resistance among unruly and immoral gangsters. This has encouraged a tendency for local government to become pre-occupied with establishing law and order, now considered a prerequisite to longer-term development. The upshot is a situation in which the state is increasingly governing through crime — i.e. relying on punitive measures to control sections of society deemed ungovernable.

It is in this context that the criminal elite provides what one author has termed ‘governance from below’. The crime bosses derive community toleration and respect by performing functions traditionally associated with the state. The most significant of these involves dispute settlement. This may take the form of brokering peace during conflicts among residents, gangs or local businesses. Alternatively, residents may turn to the crime boss with grievances and appeals to sort out perceived injustices. For example, according to members of the Gang Desk, one particularly powerful crime boss has set up a system whereby people can deliver complaints in writing to one of his shops, which will eventually be sent to him for action, even in prison where he is currently serving a short sentence.

In an extension of the role of dispute settlement, the criminal elite may also provide a degree of social protection. This may operate passively as the knowledge that a powerful man controls an area may act as a deterrent to outside threats, such as opportunist petty criminals. Alternatively, protection may be more active and may involve the gang boss ordering retribution against someone who has harmed or threatened a resident in his area. For example, according to the Cape Argus, one particularly powerful crime boss has set up a system whereby people can deliver complaints in writing to one of his shops, which will eventually be sent to him for action, even in prison where he is currently serving a short sentence.

Gangsters made death threats against Cape Town housing chief Billy Cobbett after he slammed their involvement in housing allocation. The row was sparked by gangsters stopping officials from evicting a family in Manenberg.

The community importance of the criminal elite is highlighted through their relations with state officials. For example, many of the police officers involved in patrolling the Cape Flats develop close ties with prominent drug merchants in order to conduct their work. In most cases these relationships will be developed for strategic reasons in line with their duty as police, although they may also form the pretext for more corrupt arrangements. The position of the drug merchant as a regulator of local community activity, especially among the various street gangs, means that he will have a good insight into the causes of any gang violence and he may also be able to resolve disputes. Stephen Jensen elaborates on this relationship:

It appears as though the shift officers on patrol navigate the townships through the use of what I will refer to as ‘safe bases’, where their authority is not questioned and where they are relatively safe. In an ironic twist, these ‘safe bases’ include, at least some of the time, particular drug dealers. The rapport between drug dealer and shift officer helps both sides. The drug dealer affirms and shows his privileged access to the state authorities...and the police officer confirms his relationship with the drug dealer who has at least a measure of control over the street gangsters. This measure of control translates into an equal measure of security for the shift officers, working alone in a hostile environment.

Similarly, it was telling that certain prominent criminals became strategic during the elections in 1994. According to ANC activists working in the area at that time, members of the National Party worked with gang leaders to disrupt ANC canvassing. Thus, many politicians, including Nelson Mandela, were attacked and assaulted by street gangs in coloured areas of the Flats. To cope with this situation ANC representatives arranged secret meetings with gang leaders and attempted to win over their trust. The gang leaders were therefore recognised, by both sides, as gatekeepers to sizeable sections of the population.

This control over large numbers of gang members was later made explicit by the Community Outreach Forum (CORE), a charity established by The Firm, which, as part of its goodwill campaign, pledged its allegiance to the committee that tried to bring the Olympic Games to South Africa. A key issue for the committee bidding for the Olympics was the potential for violence and petty crime to mar the games. Thus CORE produced a Peace Manifesto that read:

We …accept ownership and responsibility to use our influence via the various gang structures, gang networks and syndicates to increase community safety and to bring down the crime levels. A first step in this process is a peace agreement between the various gang structures and gang networks which we finalised on 28th April 1997. The next stage is to focus on crime trouble spots and to intervene to resolve problems. In addition we are meeting with various groups, gang structures to educate the youth in particular, to turn away from gangsterism.

The partnership between the two bodies gained...
approval by the Cape Chamber of Commerce and Industry although due to the unsuccessful bid for the Games, it later disbanded.

Finally, as noted by Arias in the Brazilian favelas, the effect of the protective role of organised crime becomes particularly evident when key crime bosses are removed, either by conflict or state arrest. As a consequence power vacuums are created resulting in perceptions of higher crime rates as well as intensification of gang conflicts. Consequentially, in interviews with both police and residents, it is often stated that simply arresting a local gang leader or drug merchant may make violence worse in communities. This may not always be the case as it seems that many prominent criminals continue to control domains from within prison.

However, just as the criminal economy does not simply function as palatable compensation for the lack of formal employment, so to must we guard at seeing criminal governance as an acceptable replacement for the regulatory functions typically associated with the modern state. Again, the functional side of criminal governance that may generate community support coexists with more concerning aspects.

The main problem with forms of criminal governance obviously lies with its brutal, undemocratic characteristics, as well as the absence of due process. Crime bosses provide ‘justice’ on a whim and there is no accountability, nor perhaps consistency.

Furthermore, one needs to be aware of the distinction between providing assistance in dispute settlements (a form of community self-help), and rule as a means of pacifying subjects in order to sustain a status quo conducive for continued business prosperity (a form of passive domination). Unrest, excessive conflicts and petty crime undermine community stability and pose the potential to attract undue interest from outsiders. Put crudely, effective criminal governance may be good for business. As noted above, it is in this respect that we can further distinguish between the community relations of some street gangs as opposed to those of crime bosses. The former are popularly characterised by anti-social acts of bravado, often directed against the police. In contrast, the crime boss aspires to an image of being a reasonable and approachable member of the community.

Where as governance from below may emerge as a rational reflex to neglect by the state, once established criminal interests may also work to resist and undermine future local authorities. This is partly achieved via the congenial associations between police and politicians described above. Drug merchants visibly engage in corrupt relationships with a small number of police officers and other authorities who seek out favours to achieve short-term goals such as winning elections and dealing with street crime. These visible associations not only undermine the work of the local authorities and entire police forces, but they also help sustain the community animosity towards the state—although one will hear many residents lamenting corrupt relationships between police and gangsters, few blame the gangster and the loathing is directed at the police ‘who can’t be trusted’.

It is interesting to note that mainstream commentators tend to view this relationship in reverse, although the outcome is essentially the same: Organised crime instigates corruption which undermines state effectiveness, making criminals, not the state, the focus for resentment. Peter Gastrow writes:

Organised crime...is like a cancer that can affect and debilitate a country’s economy, its politics and its civil fabric...the most pernicious impact is that it undermines clean and effective government. When State departments are penetrated by organised crime, the public loses faith, and you can no longer claim the state is accountable and transparent.52

What is missing both here and within the narratives on the Cape Flats is recognition of the mutually reinforcing relationship between weak state governance (from above) and strong criminal governance (from below).

Philanthropy
The most conspicuous—and contentious—basis for community support enjoyed by the criminal elite stems from their disposition towards acts of apparent philanthropy. In this respect they are not unique, for other infamous heads of organised crime have been noted for generous acts of charity, most notably Pablo Escobar who, it was claimed, funded universities, housing projects and recreational facilities for poor urban communities in Colombia. Similarly, a recent study by Enrique Arias of the Brazilian favelas has revealed that drug dealers play a prominent social role and regularly fund parties and festivals with free food and drink. Consequentially Arias reports that ‘in the narratives of poor communities, residents often see (drug traffickers as local heroes’53

Philanthropy by the Cape’s crime bosses takes various forms and is similar to the South American cases. On the most mundane level residents are known to turn to gang bosses for money to help with the day-to-day costs of living: money for rent, food, domestic bills and so on. Similarly, in one area a gang boss is known to give money to a local church so its leaders can buy food, which is given to the poorer families in their congregation. On a slightly more flamboyant level, there have been times when crime bosses have distributed cash to orderly queues and even thrown handfuls of notes from car windows. Irvin Kinnes recollects:
The act of throwing money from a moving car was quite a spectacle. Staggie would first drive his car up and down the street and tell the children that he would be throwing money out when he returned. As a consequence, hundreds of people, including adults, were drawn into the street. They would wait for the car to pass and everyone would scramble at the first sight of fluttering money. Adults, children old and young would run around to get their hands on some money. In this way, the gang leader would sometimes throw up to R20 000 out of his car window for the community.\textsuperscript{54}

More sustained and less elaborate charity is carried out through community investments. For instance, a crime boss in Manenberg is believed to have provided money to help establish a religious community centre that feeds local school children and offers training to the unemployed. Similarly, it is well known that many local football teams are sponsored by crime bosses who pay for the team’s shirts and training equipment, as well as paying for the upkeep of their sports fields. Furthermore, many of the most prominent drug merchants sponsor groups of performers who compete in various events, including the prestigious Coon Carnival that takes place over New Year. These groups, referred to as ‘troops’, contain several hundred members who meet regularly to practice their songs and dances. The most successful troop, sponsored by one of the biggest drug merchants on the Cape Flats, is estimated to cost its ‘captain’ over R200 000 a year.\textsuperscript{55} This sum includes hiring buses to collect members for practice every Sunday, providing free food and drink, paying for one-off parties, as well as buying instruments and subsidising uniforms.

Taken collectively, these acts of philanthropy will no doubt have a very modest impact on the economy of communities on the Cape Flats. Moreover, it seems likely that while the giving may seem substantial, in relation to the fortunes of each crime boss the sums are inconsequential, making it doubtful that expressed sentiments of bringing about genuine improvements to communities are indeed sincere, or at least held with any great passion. Yet, in areas with little relief from poverty as well as few unexpected bonuses, one can appreciate the significance of even small donations and gifts. It is revealing how this situation frustrates religious leaders, who feel the Church should stand as a core pillar in the community, providing strength and support for those in need. As the ecumenical secretary to the Western Cape Provincial Council of Churches argued, the church has responded to the economic and social crises of the Cape Flats emotionally where as the criminal elite have responded materially by providing the rudiments of an alternative welfare system.

One may therefore pass these occurrences off as harmless, if somewhat crass eccentricities. However, for those who vehemently maintain a dislike and distrust of the criminal elite, such acts of charity are often despised.

In an extension of using criminal governance to rule an area for business interests, what appear as positive contributions have been interpreted as strategies to further nefarious power. Philanthropy, it is argued, is merely a method used to buy off and entrap communities as the so-called beneficiaries become indebted and are obliged to perform return favours. Kinnies understood conspicuous giving as a ‘stepping stone in gaining control of a community to the point where gangsters are able to commit crime without fear of being reported’.\textsuperscript{56} Similarly, a common anecdote involves a family that accepts assistance with money for rent but in return is forced to stash contraband such as drugs or guns. It follows that the notion held by locals that these men are their champions and benefactors is naive, as in reality these men are profiteers of their vulnerability. With each R20 note accepted from him by members of his dominion, the crime boss becomes increasingly protected—the gangster is buying his protection from his victims and potential enemies.

To back up this view of crime bosses manipulating communities, it is telling that some of the most conspicuous ‘giving’ occurred during the violence between Muslim vigilantes and drug merchants. The Firm established CORE at this time, funded by donations from each of its prominent members. The official aims of CORE involved bringing about peace on the Cape Flats as well as helping to alleviate unemployment. While short-lived, CORE was rumoured to have given financial aid to various churches and other charitable projects. Unsurprisingly, many people interpreted this as a public relations stunt aimed at winning over increasingly hostile sections of the coloured community, as well as the media.

Few people would disagree with the argument that charitable gestures provide a strategic advantage. Buying the support of local residents may be both easy and politically convenient. However, the cynical interpretation of philanthropy may also go too far and does not always seem relevant. While at times acts of benevolence seem clearly strategic and political, at other times there is no obvious benefit. In other words, there is no clear return on the money ‘invested’ in communities. According to numerous sources, the story of families stashing contraband as a return favour is true occasionally, but often help with rent or other day-
to-day expenses is provided unconditionally. Similarly, all who are close to the Coon Carnival will attest that the funding of troops is an endeavour of passion rather than economic self-interest—a successful troop in the Carnival is not a means to success but an end in itself.

The mistake here may be to consider the only motive of philanthropic criminals as economic self-interest. As argued by Bertrand Russell (2002 [1938]) there is a need to separate the concept of power from glory. The business activities of the criminal elite certainly provide wealth but this alone is of limited worth. As is displayed by the successful businessman who may choose to set up a hardship fund, circumnavigate the globe in a hot air balloon, or even fly into space, being wealthy is not enough. Yet wealth does provide the means to glory. In the same way, certain philanthropic activities seem to be motivated by community glory rather than business aptitude. The random handouts, the ability to support families, the Church or the football team, are all activities that provide local celebrity status. In such cases, we may concur that philanthropy may be symbolic of a depressing reality of life on the Cape Flats, for in impoverished communities that provide few cases of celebrated successes, the crass antics of the obscenely wealthy crime boss can easily assume centre stage.

CONCLUSION

This paper has provided an overview of aspects of the social dynamics of the criminal economy on the Cape Flats. This economy comprises various criminal domains centred around powerful men who rely on corrupt connections in civil society, as well as the vast pool of criminal labour supplied from street gangs. Such is the enormity of this criminal economy it can be viewed as increasingly central to various socially excluded communities—here organised crime is not a fringe activity but rather a core dimension of society.

The augmentation of the criminal economy on the Cape Flats can be viewed as a rational, not deviant, response to governmental and economic crises. Organised crime provides an income that is increasingly seen as both normal and necessary. It supplies commodities and services that are in demand and have become normalised. Furthermore, the wealthy criminal elite assume the role of benefactors and community regulators. In the words of Suzan Strange and Letizia Paoli, organised crime is operating as a form of ‘organised counter-government’ during an era in which the state is ‘retreating’ from certain areas of society. These seemingly positive financial and community aspects of organised crime generate community support, which re-confirms the criminal economy as a reasonable response of survival and resistance.

Yet as this paper has argued the study of organised crime must explore its ‘social contradictions’. Thus, the surface benefits of criminal income can be contrasted with exploitation and a gross polarisation of wealth. The benefits of philanthropy and community governance can be contrasted with criminal elite who have created an environment favourable for the continuation of their business empires. The overarching contradiction is that the criminal economy perpetuates the conditions it seeks to ameliorate—poverty, social fragmentation and a lack of efficient, just governance.

Here it may be pertinent to contemplate the extent to which the criminal economy on the Cape Flats either threatens civil society, as is popularly assumed, or softens the impact of a crisis in state governance and the formal economy. Is criminal governance operating as what Karl Polanyi (1957 [1944]) identified as a ‘counter-move’ against the destructive forces of capitalism that may be delaying or subduing more radical forms of protest against the state?

This paper has not been concerned with policy, rather it has been written as a discussion paper. Yet, based on the above, the general direction for policy discussions seem both stark and rather unoriginal. To push the criminal economy on the Cape Flats to the periphery, the formal economy must be made more accessible and accommodating. In short, the majority of people who are exploited in the criminal economy need decent employment and sufficient welfare.

Simultaneously, the state must be bold in disrupting the mutually reinforcing networks between the criminal elite and local authorities. It is these associations that ultimately serve to further isolate the poor and undermine worthwhile state initiatives. In sum, the state must attempt to wrestle power back from the criminal elite and re-integrate communities who are currently perceived as ungovernable. Simply giving more power to the police to imprison a greater number of the socially excluded is unlikely to succeed in this regard.
Notes

1 This paper draws on ongoing primary research on the criminal economy of the Cape Flats. Many people have contributed to this research, and in particular I would like to thank Johan Kuus and Irvin Kinnes for their insights and advice.

2 The full text version of this speech is available from the UN web site on transnational organised crime, at www.odccp.org.

3 Southern African Labour and Development Research Unit (SALDRU), Khayelitsha/Mitchell’s Plain survey 2000: Survey report and baseline information, SALDRU, University of Cape Town, 2000, p 78–90.

4 These unemployment figures represent a broad interpretation of unemployment, which includes those actively seeking work as well as those who have ceased to try—what some people refer to as discouraged job seekers. Ibid, p 72.


6 For an excellent discussion on the characteristics of modern urban ghettos see W J Wilson, The truly disadvantaged, Chicago, University of Chicago Press, 1987.

7 Contrary to popular stereotypes, I believe that drug dependency is no higher in areas such as the Cape Flats than it is in other more affluent areas. The main difference may lie in the ability of the poor to successfully manage drug dependence.

8 Cape Argus, 4 October 2001.


11 The Institute for Security Studies is undertaking primary research which will hopefully provide a quantitative insight into the rate of imprisonment among residents in the Mannenberg area.

12 The influence of crime on the structure and dynamics of the criminal economy is crucial. However, it is not possible to include this subject here and it will therefore be dealt with in future publications.


15 For a history of the conflict between the vigilante group People Against Gangsterism and Drugs (Pagad) and drug dealers, see B Dixon & L Johns, Gangs, Pagad and the state: Vigilantism and revenge violence in the Western Cape, Cape Town, Centre for the Study of Violence and Reconciliation, 2001.

16 Interview with the ‘Gang Desk’—a police department which gathers intelligence on gangs on the Cape Flats, October 2002.


18 After losing its original leader, Jackie Lonte, the Americans gang is rumoured to have three leaders who now form a leadership core.


21 S Ellis, 1994, ibid, p 61–62.

22 Unpublished TRC report on gun smuggling.

23 I Kinnes, From urban street gangs to criminal empires, Cape Town, Institute for Security Studies, 2002, p 32.


25 Rites and wrongs of Cape gangs, Mail & Guardian, 8 January 1999.

26 Interview with the author, May 2002.

27 Africa et al, op cit.

28 S Jensen, unpublished PhD thesis (title unknown, Chapter 9, page number unknown).


35 On one occasion in a one-hour interview in a shack in Langa, an African township, we were interrupted four times by ‘informal traders’ offering various goods, including clothes and belts stolen from a factory.

37 Again see B Dixon, op cit.


40 Pinnock op cit.

41 Interviews with several police officers and members of the prison service have confirmed this situation.


43 This is a contentious issue, but seems to be a widespread view among coloured communities.

44 Jensen, op cit. chapter 5, page unknown.


47 Mail & Guardian, op cit.

48 Jensen, op cit. chapter 9, page unknown.

49 Interview with former ANC activist and resident of Cape Flats, February 2003.

50 This situation almost backfired as some gangs, notably the Hard Livings, became expressly pro-ANC, which created potentially damaging publicity.

51 Material supplied by Ivan Waldeck, former chairperson of CORE.

52 Cape Argus, 2 April 2002.


54 I Kinnes, op.cit. p.16.

55 Interview between the author and the Captain of a Coon Carnival troop, June 2002.

56 I Kinnes, op.cit. p. 16.

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About this paper

Organised crime is traditionally viewed as a harmful anti-social phenomenon. However, in pockets of the Cape Flats it seems that a criminal elite gain community respect and support. This paper explores the origin of this support and contemplates the extent to which leaders of organised crime on the Flats can be considered ‘social’. In particular, it explores how the criminal economy provides income and commodities, and how the criminal elite provide local governance and philanthropy. It is suggested that organised crime is indeed a rational response to urban crisis, and it does supply beneficial outcomes for the local community. Yet it is also argued that the social side of organised crime both relies on as well as coexists with its damaging and exploitative side. There is therefore a complex social contradiction to organised crime that has often been overlooked by traditional analysis.

About the author

André Standing is a PhD candidate registered at the criminology department at Middlesex University in London. In 2000 André received a Leverhulme Trust studentship to conduct research on organised crime in South Africa.

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