

# Cape Town's protection rackets

## A study of violence and control

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### Summary

This paper examines protection racketeering in Cape Town, primarily in the central business district (CBD) and on the Cape Flats. While significant security initiatives have been undertaken in the city's CBD since 1999, protection racketeering still flourishes. This suggests that it is more than a mere reflection of deficiencies in state capacity, and that other factors should also be taken into account. This paper explains protection racketeering and contextualises its development in Cape Town.

IN A SEMINAL PAPER entitled *War making and state-making as organized crime*, Charles Tilly characterises the state as a form of organised crime.<sup>1</sup> Tilly's argument is not centred on the premise of all politicians being murderers or thieves, but rather on the fact that the initial basis for the formation of the European state, (which in turn formed the basis of the modern nation-state) was to provide protection to its inhabitants in return for taxes. Given that the threat to inhabitants mainly emanated from the acquisitive inclinations of feudal lords needing funding for their war-making ventures and personal capital accumulation, part of the threat to inhabitants came from the actions of the state itself. As with the quintessential protection racket, the initial formation of the state was based on capital accumulation.

### Protection, legitimacy and criminal governance

As the state advanced and became more sophisticated, it developed a level of social control over the population, and its legitimacy was recognised by other states.<sup>2</sup> This legitimacy differentiated the state's use of violence from the use of violence by other actors. Consequently, the distinction between state protection through the use of violence and the protection given by other actors was based on the state's legitimacy. While this Weberian notion of the state having a legitimate monopoly on the use of force has taken precedence in modern political thought, Tilly argues that this line (between legitimate and illegitimate) is 'uncertain' and 'elastic'. He adds that 'early in the state making process, many parties shared the right to use violence, its actual employment, or both at once'.<sup>3</sup>

Therefore, it is argued that the use of violence in transitional states is often shared, and Tilly illustrates that this was prevalent among early European nations (in the process of state-building) in the 15<sup>th</sup> and 16<sup>th</sup> centuries. Fragile states or countries engaging in state-building have often been in similar situations with the state sharing the 'monopoly on violence' with warlords or criminals.

When one reverses Tilly's analogy, it is possible to infer that organised crime can take on 'state-like' characteristics in specific spheres based on the level of legitimacy and social control the criminal (or criminal group) may have. This legitimacy is established through the use of violence and can develop to the point of what Andre Standing terms 'criminal governance'.<sup>4</sup> Standing states that organised crime networks can adopt political or governance functions

in given territories in order to ensure their long-term sustainability. This is noticeable in several states, including Italy, where organised crime groups such as the Mafia, Camorra and 'Ndrangheta provide a number of functions,<sup>5</sup> especially protection.<sup>6</sup>

This paper examines contemporary protection racketeering in Cape Town, primarily in the Cape Town central business district (CBD) and on the Cape Flats,<sup>7</sup> two areas in which protection racketeering is evident despite their markedly different socio-economic profiles. There are similarities between the two areas, but there are also differences that determine the form protection racketeering takes in each of them. While protection rackets on the Cape Flats can be linked to the failure of the state to institute social control, major initiatives to provide security have been launched in Cape Town's CBD since 1999. These include a relatively extensive environment surveillance regime of closed

contextualises the history of the CBD and Cape Flats, as well as the development of protection rackets. Finally, the paper considers why protection racketeering has developed in Cape Town and who is most vulnerable.

## Private security and protection

### The business of private protection

Traditionally considered the domain of the state, protection has become increasingly associated with non-state institutions, which include regulated private security companies and various forms of 'informal' protective structures (such as criminal groups, neighbourhood watches and vigilante groups). The lines between various forms of protection are continually being blurred. Internationally, this growth in the legal private security industry has coincided with the advent of economic neoliberalism, particularly after the end of the Cold War, and the

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circuit television (CCTV) cameras that are centrally controlled and managed by the city authorities in collaboration with the South African Police Service (SAPS).<sup>8</sup> However, the state has not been able to put an end to protection racketeering, which appears to have existed for at least two decades in the city centre and even longer on the Cape Flats. This suggests that protection rackets do not necessarily only reflect deficiencies in state capacity and policing, and that there are a number of other factors that must be taken into account. Furthermore, it is evident that state authority is often shared with 'informal authority', which includes civil society and can include organised crime.<sup>9</sup>

The paper defines and explains protection racketeering, after which it

growing recognition of private actors and companies that provide protection<sup>10</sup> for and within the state. States increasingly allow private companies to take on roles traditionally associated with the police and military, and to operate in spaces requiring or associated with the use of violence. This is noticeable through the subcontracting and growth of the private military industry and private military companies (PMCs).<sup>11</sup>

Private security has become an integral part of security across the globe. Private policing now forms part of the South African security apparatus, and its exponential growth is well documented.<sup>12</sup> Private security ranges from conventional security guards to highly trained and skilled professionals

with a military or policing background. According to the Private Security Industry Regulatory Authority's (PSIRA) annual report (2011/2012), there are 427 174 registered 'active' security officers in the country.<sup>13</sup> The majority of security officers are on 'guard' or 'patrol' duty and have limited skills. The current estimated annual value of the industry is in excess of R50 billion shared among 9 364 security service providers. So embedded has private policing become in South Africa that in the three years leading up to 2012, the SAPS paid up to R350 million to private companies to guard its stations.<sup>14</sup>

Within South Africa, many private security companies have been legitimised by the state and are regulated by the PSIRA in terms of legislation (the Private Security Industry Regulatory Act 56 of 2001 and the Security Officers Act of 1987). Private security is seen as a viable and important part of the South African security apparatus by both the state and the public. Although impossible to measure, the impact of private security in South Africa appears to be positive. According to the Institute of Race Relations, 'every patrol car of a private security firm doing crime prevention duties has a deterrent effect on crime, allowing the SAPS to concentrate its resources elsewhere. Every response to an alarm by a private security company allows the police to deal with some other pressing matter.'<sup>15</sup> However, the private security industry has also come under increased scrutiny, with the government proposing amendments to the legislation to limit foreign ownership of security companies and to increase the regulation of companies operating in the country.<sup>16</sup> This is taking place in the context of the state's seeking to reassert its authority and regulate an industry with the potentiality to exist alongside state authority. Furthermore, unlike ordinary citizens, the nature of these companies as 'violence managing

agencies'<sup>17</sup> makes them far more dangerous to civilians as well as the state, while their employment or use of 'violent entrepreneurs' (discussed below) makes the slip into organised crime easier. In Cape Town, some of the largest registered security companies were operated and influenced by notorious underworld figures.<sup>18</sup>

### *Protection rackets*

Alongside the legal companies providing private security, there are many types of 'informal' protection and security

In Cape Town, some of the largest registered security companies were operated and influenced by notorious underworld figures

occurring across South Africa. The focus here is on enterprises that provide 'protection' by using extortive protection rackets. These companies may be registered as legal enterprises, may be criminal enterprises, or may straddle the line between legal and illegal enterprise.

Extortion as a crime is defined by common law as 'taking from another some patrimonial or non-patrimonial advantage by intentionally and unlawfully subjecting that person to pressure which induces him or her to submit to the taking'.<sup>19</sup>

Extortion can be committed by an individual or a number of individuals. For example, a single kidnapper can extort money from a victim. However, in the context of a protection racket, the extortion often takes place over a period of time and is predominately undertaken by a criminal group, prompting Skaperdas to state that extortion is the defining activity of organised crime.<sup>20</sup> This should be understood in the context of the debatable, narrow definitions of organised crime based on the hierarchal 'mafia-model' typology that informed the Racketeer Influenced and Corrupt Organizations Act (RICO)

in the United States (US).<sup>21</sup> However, recent research in Southern Africa suggests that many organised criminals create a network that is more flexible, amorphous and fluid.<sup>22</sup>

Protection racketeering consists of planned and ongoing participation in a number of defined serious criminal offences by a group, which include extortion. RICO, which set the precedent for tackling criminal enterprises and brought racketeering cases into the criminal justice system, sought to tackle

criminal *enterprises* and has heavily influenced legislation across the world – including South Africa's Prevention of Organised Crime Act (POCA). Rather than investigating distinct criminal events, racketeering investigations focus on prosecuting the criminal enterprise. The term 'criminal enterprise' can refer to a wide variety of criminal associations, including commercial 'white collar' crime. Racketeering investigations focus on 'patterns of criminal activity' as well as predicate offences, and have a more specific focus on the enterprise. The criminal enterprise itself need not be a hierarchal, businesslike structure; usually it is a network within which a few individuals ultimately reap most of the profits from extortion activities.

Extortion activities that are continuous and organised amount to protection racketeering. The protection racket differs from 'private protection' or 'security' as it involves an element of continuing criminality. Volkov describes it as:

An institutionalized practice whereby tribute is collected on behalf of a criminal group that, in exchange, claims to offer physical protection from other such groups.<sup>23</sup>

What is noticeable about Volkov's description of protection rackets is that it focuses on the institutionalised and ongoing nature of the extortion. Furthermore, Volkov argues that the protection often takes on an economic dimension and the service of protection or abstention from violence may begin to resemble a contract.

Protection rackets have been extensively researched in Italy.<sup>24</sup> Standing uses descriptions of the Sicilian Mafia as an 'ideal type' of protection racketeering whereby the Sicilian Mafia takes over state functions and produces a hypothetical ideal type of criminal governance.<sup>25</sup> The Sicilian Mafia, for example, has a history of protection racketeering in areas where the state had limited control, particularly rural areas. The Mafia filled in for the state by providing a type of social control and dispute resolution that was lacking. The fee paid by businesses to local organised crime groups to provide protection from threats of burglary and robbery is known as the *pizzo* or 'wet beak'. A 2012 report by Italian business leaders stated that organised crime was the country's biggest business, making €100 billion a year (up to seven per cent of the country's gross domestic product [GDP]) from various activities, including protection racketeering.<sup>26</sup>

Similarly, within post-Cold War Russia, the transitioning state coupled with 'shock therapy' economic reforms created an untenable level of insecurity for businesses. It can be argued that organised criminal groups became a source of parallel authority of protection, regulation and control for many businesses due to the lack of state security and high levels of informal and/or untaxed income. Protection payments became known as *krysha* (Russian for 'roof'). In the 2012 case between oligarchs Boris Berezovsky and Roman Abramovich, *krysha* was a concept that

repeatedly came up. In the judgement it was stated that 'in a society which is not governed by the rule of law, people devise alternative structures to govern their relations'.<sup>27</sup> The judgement further explained *krysha* as:

An alternative system of obligation; the classic product of a society where businessmen cannot count on the protection of the law, either because the law is itself defective or because the administrative and judicial agencies charged with its enforcement cannot be relied upon to do so. Where there is no effective law, or no effective legal process of enforcement, relationships are governed instead by power. It was common ground among the experts that the situation in Russia in the 1990s and early 2000s was that, although there were laws, the legal processes were defective.<sup>28</sup>

However, it should be noted that this kind of *krysha* payment evolved as the state progressed and began asserting itself more effectively. *Krysha* then started being paid to bureaucrats and politicians to protect businesses from 'enemies and competitors' and to network with those in power. The protection that was now given was not only to protect businesses from physical threats but also from business or state threats and to promote businesses' interests.

The Joint Research Centre on Transnational Crime published an extensive study on the activities of organised criminals in European countries with a specific focus on extortion and protection rackets. It found that extortion racketeering could develop from the protection of businesses against losses, but also that extortionists themselves may create the conditions under which protection is needed.<sup>29</sup> The study<sup>30</sup>, drawing on Monzini<sup>31</sup>, differentiates among the protection rackets according to their features, namely:

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- *Extortion-protection*: taxation on a regular basis imposed by violent means
- *Labour racketeering*: violent negotiation for access to the labour market and employment
- *Monopolistic racketeering*: a specific market strategy enforced by violent means and aimed at the physical elimination of the competitor or the creation of monopolistic coalitions

This kind of enforcement and extortion need not be limited to ‘traditional’ criminals. Recent strikes that led to mass violence in South Africa’s mining industry highlighted how civil society could involve itself in labour and monopolistic racketeering. The Association of Minerals and Construction Union (AMCU) and the National Union of Mineworkers (NUM) were accused of using violence, threats and intimidation against fellow workers as well as companies in order to secure higher wages and increased membership.

The Joint Research Centre on Transnational Crime also states that traditional criminal protection rackets have two identifiable types of extortion racketeering. These types are *systemic* and *casual*, which are in turn linked to three main variables:

- The organisational structure of the crime group
- Its strong presence at local territorial level
- The victim-offender relationship<sup>32</sup>

To explain these three variables, the study states that when organised criminal groups focus their activities on local territories, they will often take on more monopolistic and hierarchal structures while engaging more frequently with state officials. The criminal group will also begin infiltrating legitimate businesses. The extortion and criminalisation becomes systemic as the extortionists develop a more symbiotic relationship

with the local community.<sup>33</sup> In Volkov’s view, the use of pure terror (in particular, the use of violence)<sup>34</sup> can only last a certain amount of time before there is a protest by those affected. Furthermore, it may be in the criminal’s interest to seek a level of respect and support for a more sustainable relationship. Therefore, according to Standing, ‘extortion may steadily shift toward a more tolerated form of protection where those paying feel they are given a genuine service, at least one preferable to that on offer from the state’.<sup>35</sup> This can eventually lead to a form of criminal governance that has a level of legitimacy and means to enforce its control over clients.

Despite the pretence of a consensual contractual relationship, what

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distinguishes a protection racket is the fact that the nature of the contract is ‘fundamentally asymmetrical’.<sup>36</sup> The ‘wielders of force usually have an array of means to remind their clients of the asymmetry’<sup>37</sup> and therefore ‘violent entrepreneurs’ are distinguished from ordinary businessmen (even if these businessmen are engaged in illicit practices) through their particular focus on violence. As violent entrepreneurs develop they provide ‘necessary protection and market conditions needed for market relations’, as well as becoming ‘both enforcers and owners of capital’, collectively a ‘warrior community’ focusing on the subordination of others.<sup>38</sup>

### Protection racketeering in post-apartheid Cape Town’s CBD and surrounds

#### A city in decline: Cape Town after apartheid

In a situation similar to that in many major cities in South Africa, the Cape

Town CBD was on the decline and suffered severe deterioration after the end of apartheid. Increased migration into the urban centre following the loosening of apartheid restrictions coupled with the challenges of transition, primarily relating to a lack of capacity on the part of both the state and the city, led to high levels of ‘grime and crime’ and urban decay. This began taking its toll as businesses moved out and the city battled to remove occupants deemed ‘less desirable’ (such as the homeless and street children).<sup>39</sup> As the cityscape changed, and urbanisation and migration took place, these areas were left with an uneasy mix of residents and businesses at both ends of the spectrum.

However, the CBD remained important to the city, particularly as it housed Parliament, numerous businesses, high-value real estate and tourist attractions. It was also an important part of the city’s nightlife. Long Street and its surrounds within the CBD form the main entertainment area of the city, which was an apartheid ‘grey area’ where there was a certain level of mixing between races. It thus acquired a bohemian reputation, which it retained after the end of apartheid.<sup>40</sup> It remains a popular night-time venue for many people, including students, tourists and businesspeople, and hosts a variety of restaurants, bars and nightclubs. Alcohol consumption also remains important to the entertainment establishments.

Of particular concern following the end of apartheid were the growing levels of criminality in the city centre. Not all the crime at the time was organised, and much could be explained by poverty within the greater city.

Street crime, including that committed by children, made the CBD a particularly unsafe place.<sup>41</sup> Criminality was centred around notorious ‘problem buildings’ such as Senator Park in the CBD. These problem buildings also saw high levels of property and violent crime, rivalling that in certain outlying areas with a far worse reputation.

The apparent lack of state capacity to deal with criminal elements made it easier for security companies and individuals such as Cyril Beeka<sup>42</sup> to make their mark on the city’s informal security set-up.

The 1990s therefore saw a number of turf wars between rival protection

‘Moroccans’. Should establishments refuse ‘protection’ (a mixture of labour and extortion racketeering) from the ‘white’ security company, the ‘white’ security company would send the ‘Moroccans’ to harass the business. Thereafter the same security company would again offer protection and more often than not gain the contract. The security company would benefit from the protection fees and/or would pay the ‘Moroccans’ a fee for the harassment.<sup>45</sup>

The protection rackets also provided opportunities for former apartheid security operatives to make a living.<sup>46</sup> Former security police officers, who had allegedly

ring rose to prominence in Cape Town, allegedly led by businessman Mark Lifman, Andre Naude, alleged Belhar gang ‘Sexy Boys’ leader Jerome Booysen and a number of former Beeka associates. The group consisted of a variety of protection and security formations that amalgamated to form Specialised Protection Services (SPS). At the beginning of 2012, SPS went about trying to acquire protection contracts at 200 venues, providing 400 bouncers.<sup>48</sup> A number of business owners complained to the police, the media and governmental officials over SPS’s use of threats and intimidation. The company was shut down, as it was not registered with PSIRA. Lifman and Naude now face over 300 charges resulting from their involvement.<sup>49</sup> Despite the arrest of these high-profile figures and the closing of SPS, protection racketeering still thrives in the CBD.

### Former security police officers, who had allegedly established links during the apartheid years with the ‘Americans’ gang, now ran security companies.

merchants as they sought control over the lucrative protection and drug markets of the city. The city could not constrain them or provide the service that had made the presence of these groups acceptable in the first place. According to Kinnes, during this period ‘violence was also displaced as the realisation grew that more profit was to be made from transactions within the city limits’.<sup>43</sup> Therefore, there were clashes in the CBD between local gangs and groups such as the ‘Moroccans’,<sup>44</sup> who were operating a parking and protection extortion scheme for nightclubs. This monopolistic racketeering and violence lasted for a few years, but eventually the violence was settled after a series of high-profile confrontations and the settlement and division of protection rackets in the city.

Kinnes elaborates on how criminal networks expanded beyond racial and ethnic identities in protection racketeering. For example, within the CBD there was a noticeable mutually beneficial relationship between a local ‘white’ security company and the

established links during the apartheid years with the ‘Americans’ gang, now ran security companies. Protection racketeering in Cape Town became so notorious that it attracted the attention of a presidential task team. The presidential task team linked these rackets with gangs on the Cape Flats and even the Italian Mafia in the form of Vito Pallazzalo.<sup>47</sup> However, the task team was disbanded following allegations of corruption.

Further solidifying the business venture was the protection needed by the ‘vice’ industries that couldn’t approach legitimate sources of authority. Often escort agencies were beholden to protection racketeers due to their inability to turn to legitimate forms of authority, as their income base was illegal. Within this environment protection racketeering was integral to the protection of the criminal enterprises with which it became entangled.

This status quo was maintained for nearly two decades as portions of Cape Town were ‘divided’ among security providers. However, following Beeka’s assassination in 2011, another protection and extortion

### The upswing In the CBD

By the early 2000s, South Africa was arguably stable and had avoided the potential mass violence that could have followed the transition to a democratic state.<sup>50</sup> Reforms and changes in public spending, with an increase in social development spending and a strict fiscal policy, had placed the government in a healthier financial position and allowed it to manage the high levels of debt accrued by the apartheid government.

Crime permeated the country and South Africa recorded high levels of crime over the next few years (reaching a peak in 2002). At the same time a number of reforms began taking place, which had a significant effect in reducing the levels of crime. These reforms were focused on both policing and social spending. However, in Cape Town, according to Samara,<sup>51</sup> criminal victimisation remained high in marginalised non-white areas while more affluent areas (including the CBD) managed to reduce the levels of crime within their ‘borders’. This can be attributed to apartheid town planning, which provided far more police resources

in white areas; increases in state capacity; focused civil society and municipal efforts; and an increase in private security.

The Cape Town CBD is one of the more remarkable stories of urban renewal. Policy makers, politicians and civil society collaborated in creating a safer and more marketable district. The Cape Town Partnership and the Central City Improvement District (CCID) led a number of reforms within the city. The 'broken windows'<sup>52</sup> approach was adopted across the city and a harsh approach was taken toward those who were blamed for 'crime and crime'. Public vagrancy was not allowed and street children were removed from the city centre. CCTV cameras were installed in the city centre and a number of civilian and municipal policing patrols were established in 2001. The CCID also established associations such as the Club and Bar Association (2002) to create a self-regulating authority to suppress drug peddling, turf wars, protection rackets and 'sub-standard' drinking establishments. Additionally, the city has taken a number of proactive steps in limiting crime and vice industries by working with municipal policing and establishing specialised squads. These squads fall under the city directorate and are independent of the SAPS, while frequently collaborating with it. They include vice, drug and gang squads, as well as a 'problem building' squad, which has been successful in the implementation of bylaws regarding 'problem buildings'. The accomplishments of these squads and the CCID initiatives are evident, with a number of notable success stories. Of particular importance to the CBD has been the 'problem building' squad, which in 2012 closed and forced the renovation of the Senator Park building after it had become a location of criminal activity.<sup>53</sup>

Within four months of the CCID's implementation, the CBD recorded a drop of 46 per cent in crime. The reductions have continued over the last decade and

violent crime in the city decreased by 90 per cent from 2005 to 2010. While drug-related arrests increased to 955 (2010) from 180 (2005), this can also be interpreted as more effective policing rather than just an increase in drug dealing. The Cape Town CBD is now one of the safest city centres in the country.<sup>54</sup>

Despite the CBD's improvement, given the type of activities hosted (especially in terms of bars and clubs) Long Street still has a noticeable seedy underbelly, with numerous drug dealers, prostitutes, brothels and exotic dancers. Other streets off Long Street within the CBD limits also host bars, clubs and brothels.

The growth of SPS, described in the previous section, is an example of the entrenchment and continuance of protection rackets despite the city's improvement. Protection rackets have managed to maintain their particular place in the security establishment. Managers and owners in these areas are often unwilling to talk, presumably due to fear. Furthermore, given the continuing street criminality, there is still a belief that these kinds of protection services are necessary to maintain a level of order.

### **A history of the criminal economy on the Cape Flats**

Unlike the CBD, which has been the focus of economic activity, the Cape Flats area has been described as apartheid's 'dumping ground', with the majority of residents living there due to the forced removal policies of apartheid South Africa. It encompasses vast tracts of land around the city (132 km<sup>2</sup>) and houses large, predominately coloured and black townships with a sizable population (rough estimates put the figure at over 850 000), although the actual number is difficult to determine. This paper concentrates on certain parts of the Cape Flats with a high gang presence and a predominately coloured demographic.<sup>55</sup> Often those

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areas with the largest gang presence have the highest levels of poverty and unemployment. For example, in Hanover Park, where the majority of residents (90 per cent) live in formal dwellings, 63 per cent of households earn incomes of less than R3 200 a month. Similar socio-economic profiles predominate in neighbourhoods such as Lavender Hill, Bonteheuwel, Delft and Manenberg.<sup>56</sup>

The Cape Flats, as a residential area, was developed in the 1950s, when the predominantly coloured population living in or near the city centre was forcibly removed to the urban periphery. Cape Town and the Cape Flats had purposely been designed to limit cross racial mixing, which in turn made it difficult for those living on the urban periphery to access employment in the predominately white business centres. These areas in the Cape Flats also had limited social and recreational facilities, as the apartheid

government concentrated its resources on the white areas. Parts of the Cape Flats soon became dysfunctional areas with high levels of unemployment, substance abuse problems, poor educational and medical facilities, and broken family units.<sup>57</sup>

While areas such as District Six did have a level of gang presence,<sup>58</sup> the removal of people to the Cape Flats and the subsequent lack of state services and employment opportunities created a burgeoning gang problem in these areas by the early 1970s. This gang problem was exacerbated by a more prohibitive stance towards liquor, based on the apartheid construct of the coloured male being dangerous and lazy.<sup>59</sup> These prohibitions saw the rise of illegal *shebeens* and associated criminality, as those in the business sought protection from gangs or gangs gained income from these *shebeens*. The problem was

exacerbated by the ban on mandrax and the subsequent boom in the illegal market. The large supply of and demand for the drug saw criminal gangs grow in size and income and become part of the political economy of the area. Gangs established themselves to provide protection to *shebeens* and drug dealers, and to provide drug dealers and *shebeen* owners with protection from the police.<sup>60</sup>

### The Cape Flats after apartheid

While much of the rest of Cape Town has been on an upward swing, controlling levels of crime and growing economically, parts of the city remain untouched by the general improvement and are devoid of employment opportunities, thereby becoming increasingly marginalised. Smith and Turok,<sup>61</sup> in their study of the economy of Cape Town, show that the city centre has maintained economic dominance and that Cape Town remains monocentric.

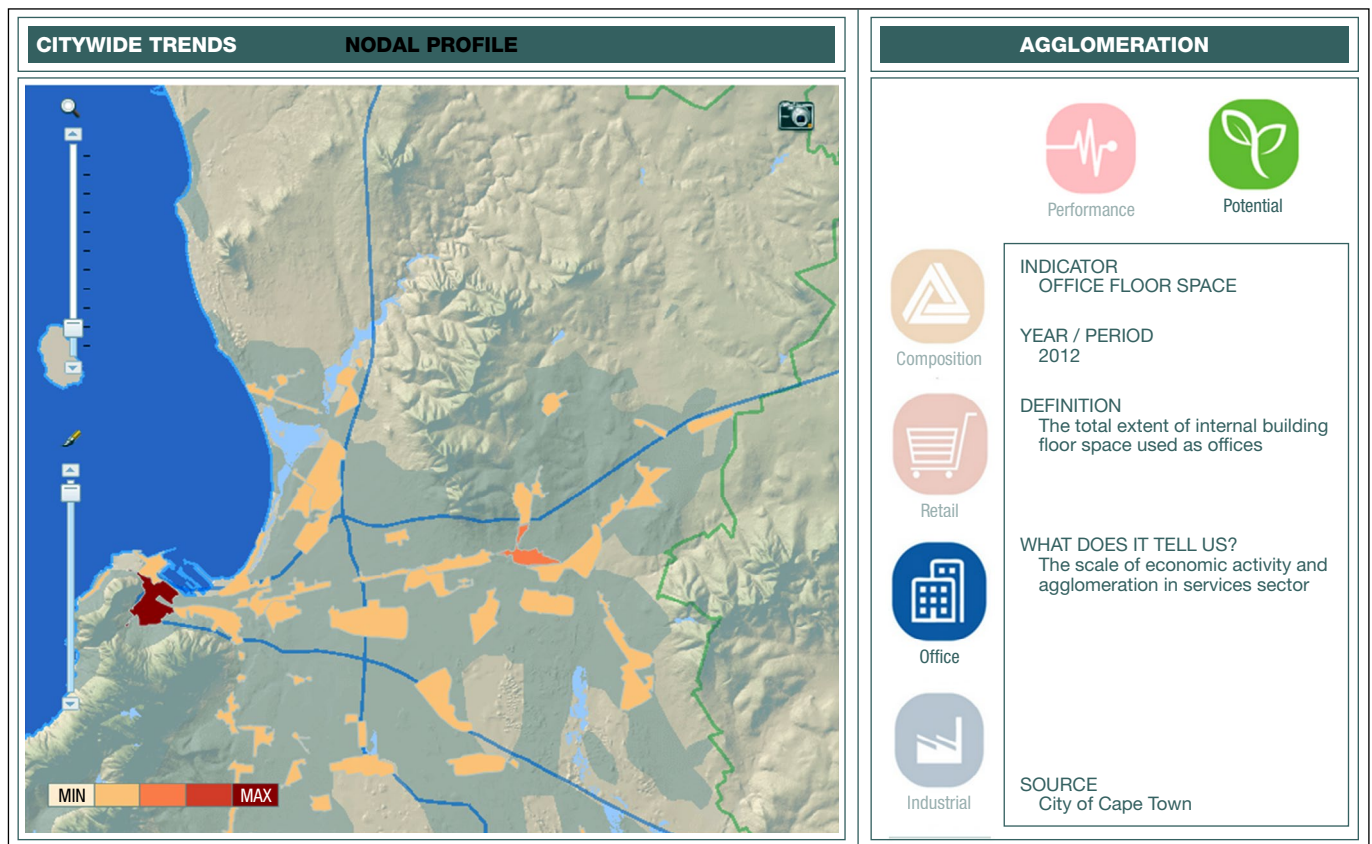


Figure 1: Office floor space – the total extent of internal building space used as an office. This can be used as an indicator of economic activity and agglomeration in the services sector.

Source: <http://ctcs.capetown.gov.za/ecamp><sup>62</sup>



Recent growth is more dispersed than before, but high-income suburban nodes have benefitted, not the Cape Flats where the poor live. This is illustrated in Figure 1.

The lack of control over certain parts of the Cape Flats has been of particular concern to successive provincial and city leaders, highlighted by the occasional deployment of the army to quell gang violence. Various studies have shown that the state does not have the necessary social control on the Cape Flats, and that some of these urban spaces are under the control of gangs. Despite attempts by the state to enforce a level of social control on the Cape Flats, Robins<sup>63</sup> argues that it has been unable to do so. He summarises his views by stating,

Spatial governance in places like Manenberg will continue to be relatively ineffectual given existing levels of social inequality and racial polarization. Such processes are reproduced by massive unemployment and racialised poverty resulting from socio-spatial legacies of apartheid and Cape Town's shift from a manufacturing to a tourist, IT and financial services economy.<sup>64</sup>

Robins further argues that:

Contestation between the state and gangs over control of space in Manenberg is part of a broader process in terms of which current investment strategies and urban development schemes have avoided poor areas of the Cape Flats, thereby reproducing the socio-spatial inequalities of the apartheid city.<sup>65</sup>

While the state has tried to remedy this with interventions and renewed social planning, in general business is still located in the city centre and former white areas. The exclusion of certain populations is also evident beyond these forms of employment and investment, as demonstrated by the continuing legacy of illegal *shebeens*.

## Protection rackets

In many parts of the Cape Flats gangs have taken on a peculiar role, vying with the state and civil society as a form of social control. The state is no longer the primary actor in local power dynamics – instead, the state, civil society and organised crime groups often function in mutually supportive relationships that are ‘continually being established and reshaped’.<sup>66</sup> Lambrechts argues that none of these actors has a monopoly of power and that the actors and positions change constantly.

The conceptualisation and understanding of protection rackets in the Cape Flats

The state is no longer the primary actor in local power dynamics – instead, the state, civil society and organised crime groups often function in mutually supportive relationships

varies. Standing's<sup>67</sup> study on the criminal economy of the Cape Flats focuses on the levels of extortion faced by both formal and informal traders as well as illegal *shebeen* owners. In his research he found that *shebeen* owners often complained of having to pay extortion money to the police. This is similar to the findings on police corruption by Liza Grobler, who found that the police officers would often go to a *shebeen* with a new police recruit to see whether the recruit accepted free alcohol. Should the recruit take the drink, this would confirm that he was ‘one of them’ and he would be included in corrupt activities.<sup>68</sup> If not, the police officers, acting in concert, would try to remove him from their precinct or shift. *Shebeen* owners saw criminal gangs and drug operators as being less of a problem than the police in demanding protection payments. However, Standing adds that *shebeen* owners are often involved in the drug trade and thus their relationships with criminal gangs are complex.

Standing's study found that few formal businesses were victims of extortion. Three of the four formal businesses that faced extortion demands (out of 75 formal businesses) refused to pay, while one paid R250. Standing broadened his questioning by asking formal businesses if they paid for security from third-party firms and whether they had a choice in choosing the firm. In his findings, out of the 75 businesses surveyed, 33 paid security firms. Out of these, only five were not happy with the service and 11 were unable to find adequate replacement security companies in the area. Among informal traders, 14 out of 53 traders reported being extorted by criminal

gangs, but from Standing's research it seemed as though the protection racket was more sporadic than formal. Standing states that informal traders who did admit to paying extortion did not provide amounts, which may well be because they did not trust the interview process. However, he adds that only two informal traders said extortion occurred more than once, which suggests opportunistic rackets. Summarising his findings, Standing states,

Primary research on the phenomenon of protection rackets on the Cape Flats has produced inconsistent findings. There are many people who claim that protection rackets are common throughout the region, particularly involving the *shebeen* industry. However, in two areas studied for this research, Mitchells Plain and Atlantis, there is very little evidence of well-organised protection rackets, although there are high crime rates and insecurity alongside ubiquitous criminal groups and street gangs.

Where extortion is recorded, our data suggests this is opportunistic, predatory and sporadic.<sup>69</sup>

Differing results are evident in research conducted by Lambrechts<sup>70</sup> in Manenberg. She found that businesses had to pay gangs in order to operate in their areas. If payment was not forthcoming, intimidation and threats would follow and the gangs would rob the businesses. She quotes a rehabilitated Hard Livings gang member, who says,

See, sometimes the HLs (Hard Livings Gang) can come in and rob you ... They can take the stuff anytime if they want to, but if you want protection you've got to pay us for the protection so that you don't get robbed and if you don't want to die, you also have to pay for protection.<sup>71</sup>

## The rampant corruption in the police force and 'hard policing' strategies have made it more difficult to turn to legitimate sources of authority

In a study by Charman and Piper,<sup>72</sup> particular attention is paid to immigrant, primarily Somali, businesses in the township of Delft on the Cape Flats. Unlike many other suburbs on the Cape Flats, Delft is more racially mixed, with a fairly large black population (40 per cent) in a majority coloured (60 per cent) township. Particular types of protection and extortion exist in Delft. In the wake of xenophobic violence, curfews have been set for businesses. However, shopkeepers tend to violate the curfew despite the risks and state that they have more trouble from the police than the community. Yet street gangs and criminals target these foreign-run *spaza* shops for protection payments. Should the shopkeepers fail to pay, they throw bricks and stones at the container that houses the *spaza* shop. Charman and Piper give the example of the Delft Development Forum extracting payments

from some Chinese entrepreneurs to ensure their shipping container businesses remain on public property.

One of Charman and Piper's most interesting findings is that there is an important relationship in Delft between landlords and shopkeepers. While half of the respondents stated they had nobody to turn to for support when facing crime and violence, of those who could rely on others, coloured shopkeepers turned to their neighbours or community policing forums and black shopkeepers turned to street committee leaders, whereas foreigners sought the landlord's protection. Thus the powerful landlord can become an important safety net. In the study they refer to a shopkeeper who rented from a well-known drug lord and paid more than double the rent, but got protection in return. Similarly,

other shopkeepers rented from well-known community leaders as a source of protection.

While businesses, both formal and informal, may suffer from protection racketeering, the taxi industry has been under considerable strain from gangs. Protection rackets in this industry were established in the 1980s in the wake of the government's massive deregulation of the public transport sector.<sup>73</sup> In the vacuum left by state authority, violent conflicts (known as taxi wars) over routes and fares occurred.

The taxi industry now consists of thousands of operators, and the established associations that represent taxi drivers can be seen as racketeers who demand payment. However, they do provide a level of protection in an extremely dangerous and cut-throat business. In the Ntsebeza report<sup>74</sup> on

the underlying causes of violence in the taxi industry in the Western Cape, it was found that taxi associations were involved in illegal activities, including murder, and the report stated that 'taxi association mother bodies operate like a modern day mafia with the power to extort monies from operators, the ability to kill people who disagree with them and threaten their interests'.<sup>75</sup> The report further stated that a group of 30 or 40 people were behind much of the violence and that there was a link with gangs, especially in coloured associations. The gangs extort money from operators and drivers. Furthermore, the report found that there was a link with organised criminals who used the taxis to carry and distribute drugs, and to transport prostitutes on occasion.

Thus protection racketeering takes on multiple forms on the Cape Flats. The protection of businesses and inhabitants is often far more complex than just straightforward coercion. The lack of state capacity and authority, as well as the importance of the criminal economy in the area, has created various arrangements of power that include criminals. Furthermore, the rampant corruption in the police force and 'hard policing' strategies have made it more difficult to turn to legitimate sources of authority. Jensen relates how police officers referred to entire Cape Flats communities as 'cockroaches'<sup>76</sup> and Samara states 'policing in the townships is in effect reinforcing the wedge that exists between police and residents, deepening mistrust and cynicism and eroding the ground in which genuine long term crime prevention, and therefore social development, could potentially take root'.<sup>77</sup>

### Analysis of protection rackets in the CBD and the Cape Flats

The various types of protection rackets in Cape Town highlight the multiple formations these rackets may take.

Protection rackets in the CBD and on the Cape Flats vary to a large extent in both sophistication and type. Thus protection rackets in the CBD and Cape Flats have a number of both noticeable characteristics and reasons for their continued existence.

### *In the CBD*

What is noticeable in the Cape Town CBD is that those providing security often blur the line between private security and criminal groups. Before being shut down, SPS operated like a legitimate security body, going as far as trying to legitimise its activities with the PSIRA by aligning itself with a legitimate company.<sup>78</sup> The complications within the CBD regarding private protection highlight the failure to regulate the private security industry. The PSIRA as a regulatory body is out of its depth, undermanned and understaffed. Currently, there is only one PSIRA inspector to 9 000 security officers.<sup>79</sup> Many of the protection rackets in the CBD have ties to legitimate companies. Beeka's companies were registered with the PSIRA and therefore these companies have a level of legitimacy.

The action of protection rackets in the CBD is focused on labour racketeering and forcing businesses to use their labour in the form of bouncers and security consultants. Furthermore, there is a level of extortion by these security companies due to the increased charges they force on business owners in the CBD. Reports suggest that about 200 venues were paying SPS anything between R250 a week and R25 000 a month in protection fees for bouncers, while smaller venues were forced into taking on additional security at an inflated price.<sup>80</sup> Despite the closing of SPS, many of the same individuals are still believed to be involved in protection rackets in the CBD. The continued power of these individuals, despite occasional disruptions, is based on the monopolistic rackets that occurred in

the early 1990s. The violence of those years has continued to the current date, but the level of that violence is now comparatively limited.

Thus the CBD has seen the entrenchment of criminal networks established at a time of weakened state authority. These protection rackets have almost become an accepted part of the Cape nightlife, similar to the entrenchment of *pizzo* taxes in Italy. Businesses are willing to deal with the

While there is a distinct element of resentment over payments, there is also the perception of protection rackets being a 'necessary evil' given the nightlife and the number of threats on the street

payments in order to avoid the flare-ups in violence witnessed in the 1990s. Even with the improvement in the state's imposition of its authority, it is difficult to remove the criminal element. The network itself is highly organised and sophisticated, and is capable of adapting to changing conditions. The modus operandi of these criminals means that payments have been made to networked criminal enterprises for decades. The criminals involved in the trade have remained fairly constant despite the recent arrests of some members, and those involved seem to have a focused connection to the area. This gives credence to the theory that protection crime in the CBD is primarily networked and monopolised, despite occasional outbreaks of violence. These outbreaks seem to occur after a central figure in the network is killed or arrested, although payments are still made. In the SPS case, the large number of arrests that were made as a result of the media hype around SPS's activities was followed by the release of the majority of those arrested. Therefore there was continuity in the protection racket. Gang bosses' presence also extends beyond the provision of protection services. A

number of gang bosses and criminal businessmen have shares in or own clubs and bars in the CBD, often through proxies.

Furthermore, it is evident that tolerance for these protection rackets is based on the belief that they often provide a service. The relationship between these groups and those in business is difficult to fully ascertain. While there is a distinct element of resentment over payments, there is also the perception of protection

rackets being a 'necessary evil' given the nightlife and the number of threats on the street, including drug dealing and theft. Police cannot be everywhere all the time and protection rackets' potentiality of violence – much more so than that of 'ordinary' security companies – makes them suitable and necessary candidates. Thus despite the increases in the state's capacity and authority in the CBD, the provision of security in South Africa often has to be shared by a variety of actors, including private security companies.

Drug dealing in the CBD remains big business, and the nature of many nightlife businesses creates two scenarios. Firstly, there is substantial profit to be made through drug dealing in a club and therefore there is a need for organised criminals to control that element. The drug trade falls in the realm of anti-sovereignty for the state and these illegal markets thus need criminal structures to provide this type of criminal governance. Secondly, in order to control and limit criminality, protection rackets become a necessary evil. According to Leggett, the security trade is important for the drug trade as those who control the security at the club control the club,

and thus the drugs moving in and out of the establishment.<sup>81</sup> This is reiterated by Kinnes, who argues that the rackets not only provide bouncers with designer drugs but that these bouncers in turn also distribute drugs. Similarly, in Johannesburg the Elite security group had links with criminal groups such as the Hells Angels and, according to the *Mail and Guardian*, 'whoever controls the door controls the drugs'.<sup>82</sup> However, while these links are often made, it should also be noted that the nature of the market has changed and often more sophisticated buyers will get their drugs

entrepreneurs (including in bouncing and 'protection') had devoted part of their early life to violent sports such as boxing and kickboxing. It was these skills that made them ideal candidates to begin enforcing protection services.<sup>85</sup>

In Cape Town, a large number of those involved in the protection racket also appear to have a background in violent sports. For example, Yuri 'the Russian' and Houssain Ait Taleb (the leader of the Moroccans) were both well-known kickboxing champions, and Cyril Beeka had a black belt in karate. Volkov argues that it was in many of these sporting

Corruption in the police force and among other political figures is a major issue and is highlighted by Beeka's association with such high-ranking individuals. However, while Beeka's notoriety placed him in the spotlight, other organised criminals also have significant influence over the police. For example, Dan Plato, the Western Cape MEC for Community Safety, related a story of how a decision to raid nightclubs was made at a MANCOM meeting at 9am. By 9.30am, Plato received calls from his sources notifying him that the information had been leaked.<sup>88</sup>

### Corruption remains a major problem in both the SAPS and municipal policing. The failure to eradicate corruption and the decline in trust in the police allow non-state actors to gain legitimacy

before going to a club, as they are more assured of levels of quality and have fewer problems with law enforcement.

Many of these protection rackets thrive due to the threat of force. Protection rackets are managed by dangerous people. The names associated with protection rackets are also often at the upper echelons of crime in Cape Town. An increased payment is less trouble than the threat posed by protection rackets. Volkov describes these individuals as violent entrepreneurs.<sup>83</sup> A sociological study of the bouncer trade in England asked why men would choose a profession in bouncing, given the dangerous environment, levels of organised crime and relatively poor pay. What the study found was that 'the real benefits of the occupation are grounded deep within masculine working-class culture and self identity with its powerful appreciation of bodily power, personal and group respect and violent engagement'.<sup>84</sup> Yet, this is not the only explanation for choosing a violent career. In Russia, a number of violent

clubs that this warrior community began organising into criminal groups. In Russia, the community of violent entrepreneurs developed and bonded in these sports' clubhouses. According to media reports, Ait Taleb's kickboxing club in Cape Town was primarily used by members of the now defunct SPS. This environment and resultant criminality ties in with Sutherland's differential association theory.<sup>86</sup> Similarly, the protection business also provided a number of former soldiers or police officers with a supplemental or new source of income. Many of the bouncers in Leggett's study of drugs and organised crime in South Africa were known to be former police or army members.<sup>87</sup> Similarly, the links established by former police and security officers with criminals and their knowledge of operations made the slip into criminality far easier.

Corruption remains a major problem in both the SAPS and municipal policing. The failure to eradicate corruption and the decline in trust in the police allow non-state actors to gain legitimacy.

Thus protection racketeering, in particular labour racketeering, in the CBD is systemic, sophisticated and entrenched, especially within the nightlife industry. Failure by regulatory bodies to ensure compliance with legislative mandates blurs the distinctions between legal and illegal private security companies, and rampant corruption at a high level makes it difficult to remove these entrenched networks of criminality. The violent reputations of these criminals have also made it difficult for business owners to turn to the authorities, despite the gains made by the city in increasing state capacity.

#### *On the Cape Flats*

Residents of the Cape Flats tend to rely on informal means of security and protection as the state battles to establish its authority. A weak state may lack the political legitimacy required for society to accept its right to enforce the rules it imposes, which organised crime groups or organised criminals may have. Thus the growth of protection rackets can be symptomatic of a 'disconnect' between state and society, with the state being unwilling or unable to provide protection and/or enforce its authority on errant members of the community.<sup>89</sup> Additionally, if a state has a limited capacity to deal with corruption, society will be less likely to turn to legitimate

sources of authority and instead resort to the services of organised criminals and protection racketeers. On the Cape Flats, the lack of state authority and the importance of criminal gangs create additional complications for protection rackets. Gangs are arguably as important as the state in providing protection, albeit informal, in these areas and have gained a significant level of legitimacy, as have private protection companies in many former non-white areas.

While the CBD has a more noticeable group of protection racketeers with a particular modus operandi, the Cape Flats has more diverse types of protection rackets. These rackets may be systemic or opportunistic and can range from a required or desired presence to coercive extortion. Due to the rampant crime problem on the Cape Flats, a variety of actors extract extortion. As a purely extractive coercion, street gangs can demand payment from business owners in an unsophisticated manner. Standing's study showed that formal businesses were often capable of limiting this threat.<sup>90</sup> However, there are exceptions and extortion can still occur. Furthermore, this form of extortion can become more formalised as the group establishes its territory in the area. What is noticeable is that those who cannot turn to authorities are the most at risk. From the first section it is evident that those in informal businesses are more likely to suffer from extortion than those with a formal business, and that foreigners and vulnerable populations seem highly likely to fall victim to some kind of extortion, both opportunistic and systemic.<sup>91</sup> Additionally, it has been shown that the state's failure to establish its authority make protection rackets an important source of informal protection and vulnerable businessmen can actively seek these forms of protection.<sup>92</sup>

Similarly, businesses in vulnerable positions (often illegal and illicit) are also at the mercy of extortion rackets, but these relationships tend to be more symbiotic. *Shebeens*, businesses operating illegally and drug dealers all benefit from having a relationship with protection rackets. Thus the protection racket moves from one of extortion to one with similarities to the *krysha* system. Many *shebeens* are unable to enter the legitimate business sector and therefore depend on alternative forms of protection, extortive or not.

Similarly, those in the taxi business, which has been ravaged by violence, are also known to pay protection fees to bodies that blur the line between the criminal and the legitimate. These fees are arguably necessary, given the violence and the inability of the state to regulate and govern the taxi industry. Furthermore, gangs often practise coercive extortion on taxis. What is noticeable in the taxi industry is that there is a nexus between gangs, mother bodies and taxi businesses.

Importantly, legitimate forms of authority such as the police also run protection rackets against vulnerable businesses such as *shebeens* and can actively seek protection money. The corruption of the Cape Flats police force is far more serious than that of the CBD, with police providing protection to as well as potentially becoming part of the drug business. Grobler's study found that aspects of police culture (such as the code of silence) made it harder to limit this corruption. Furthermore, as criminality is entrenched and political patronage becomes the norm, there is a possibility that those seeking protection may turn to members of the community, including officials, without going through the correct channels.

## Notes

- 1 To quote Charles Tilly, 'If protection rackets represent organised crime at its smoothest, then war risking and state making – quintessential protection rackets with the advantage of legitimacy – qualify as our largest examples of organised crime.' See Charles Tilly, War making and state making as organised crime, in P Evans, D Rueschemeyer and T Skocpol (eds), *Bringing the state back in*, Cambridge: Cambridge University Press, 1985.
- 2 Joel Migdal, *Strong societies and weak states*, Princeton: Princeton University Press, 1988.
- 3 Charles Tilly, War making and state making as organized crime, 173.
- 4 Andre Standing, The social contradictions of organised crime on the Cape Flats, ISS Paper 74, 2003.
- 5 Paoli goes on to state: 'Southern Italian Mafia coalitions are multifunctional organisations. In the past hundred years, their members have exploited the strength of mafia bonds to pursue various endeavours and to accomplish the most disparate tasks.' This goes beyond purely economic motivations. See Letizia Paoli, Italian organised crime: mafia associations and criminal enterprises, *Global Crime* 6(1) (2004), 22.
- 6 Diego Gambetta, *The Sicilian Mafia: the business of private protection*, Harvard: Harvard University Press, 1993; and Letizia Paoli, *Mafia brotherhoods: organized crime Italian style*, Oxford: Oxford University Press, 2003.
- 7 While generalisations are often made about the Cape Flats, it should be noted that the Cape Flats has a number of suburbs within it with different socio-economic and racial profiles. While certain townships, including the majority of black townships, are mired in poverty, there are several lower-middle and middle class areas in the Cape Flats. The majority of protection rackets have occurred in poor coloured areas with a high gang presence, such as Manenberg and Lavender Hill. Thus references to the Cape Flats will denote these areas.
- 8 The CCTV regime in Cape Town, which was subsequently emulated in other metropolises, is discussed in detail by Anthony Minnaar, *The Implementation and impact of crime prevention/crime control of open street closed circuit television surveillance in South African central business districts*, Surveillance & Society, 2007, 174–207, [http://www.surveillance-and-society.org/articles4\(3\)/southafrica.pdf](http://www.surveillance-and-society.org/articles4(3)/southafrica.pdf) (Accessed 17 May 2014).
- 9 See C Goredema and K Goga, unpublished occasional paper on crime networks and governance in Cape Town, 2013.
- 10 S Gumedze (ed), *From market for force to market for peace: private military and security*

- companies in peacekeeping operations, ISS Monograph 183, 2011.
- 11 The US Department of Defense sanctioned contracts with PMCs to the value of \$161 billion in 2010: see David Isenberg, Showing the private military contracting section the money, *Huffington Post*, 24 May 2011, [http://www.huffingtonpost.com/david-isenberg/showing-the-pmsc-sector-t\\_b\\_864372.html](http://www.huffingtonpost.com/david-isenberg/showing-the-pmsc-sector-t_b_864372.html), (Accessed 13 May 2013).
  - 12 Despite the private nature of these companies, their actions are sanctioned by states, and are either regulated or self-regulating. See S Gumedze (ed), *Private security in Africa: manifestation, challenges and regulation*, ISS Monograph 139, 2007.
  - 13 Also note that there are almost 1,8 million registered security officers who are registered but not active. See Ministry of Police, South Africa has world's largest private security industry; needs regulation – Mthethwa, DefenceWeb, 30 October 2012, [http://www.defenceweb.co.za/index.php?option=com\\_content&task=view&id=28306&Itemid=116](http://www.defenceweb.co.za/index.php?option=com_content&task=view&id=28306&Itemid=116), (Accessed 30 October 2012).
  - 14 No more private security for cops, *City Press*, 30 May 2012, <http://www.citypress.co.za/SouthAfrica/News/No-more-private-security-for-cops-20120530>, (Accessed 30 May 2012).
  - 15 Martin Schonteich, *Unshackling the crime fighters: increasing private sector involvement in South Africa's criminal justice system*, South African Institute for Race Relations, 1999, 27.
  - 16 See the Draft Green Paper on policing, which calls for increased regulation of private security due to the belief that private security is undertaking functions of the state. Civilian Secretariat for Police–Draft Green Paper on Policing, 2013 ([http://www.policesecretariat.gov.za/downloads/green\\_paper\\_policing.pdf](http://www.policesecretariat.gov.za/downloads/green_paper_policing.pdf)) (Accessed 17 May 2014).
  - 17 Vadim Volkov, *Violent entrepreneurs: the use of force in the making of Russian capitalism*, Ithaca NY: Cornell University Press, 2002.
  - 18 For example, Red Security and its previous incarnation, Pro Security, which provided much of the security for Cape Town's nightlife, had links to underworld figure Cyril Beeka. Red Security is now wholly owned by Edward Beeka, Cyril Beeka's brother.
  - 19 See SAPS, Crime Stop, [http://www.saps.gov.za/crimestop/common\\_offence\\_definitions.htm](http://www.saps.gov.za/crimestop/common_offence_definitions.htm), (Accessed: 8 August 2013).
  - 20 Stergios Skaperdas, The political economy of organized crime: providing protection when the state does not, *Economics of Governance*, 1998, 461.
  - 21 For further information on the development and influences over the concept of organized crime see Andre Standing, *Rival views of organized crime*, ISS Monograph 77, 2003.
  - 22 Annette Hubschle, *Organised crime in Southern Africa: first annual review*, ISS Special Report, 2010.
  - 23 Vadim Volkov, *Violent entrepreneurs*.
  - 24 Diego Gambetta, *The Sicilian Mafia*.
  - 25 It should be noted that Standing does not agree fully with these studies, but instead uses these common descriptions to explain a hypothetical ideal type form of protection rackets.
  - 26 Nick Pisa, Organised crime 'Italy's biggest industry', *Sky News*, 11 January 2012, <http://news.sky.com/story/916774/organised-crime-italys-biggest-industry>, (Accessed 17 May 2014).  
*It should also be noted that there is a difference between the Sicilian Mafia and organised crime in Italy, which consists of a number of criminal networks. The figure quoted here is all criminal networks and not just the Sicilian Mafia.*
  - 27 Executive summary of the full judgement of J Gloster, *Berezovsky v Abramovich*, 2007, <http://www.judiciary.gov.uk/Resources/JCO/Documents/Judgments/berezovsky-abramovich-summary.pdf>, (11 September 2012).
  - 28 Executive summary of the full judgement of J Gloster, *Berezovsky v Abramovich*, 2007, <http://www.judiciary.gov.uk/Resources/JCO/Documents/Judgments/berezovsky-abramovich-summary.pdf>, (11 September 2012).
  - 29 Transcrime, *Study on extortion racketeering: the need for an instrument to combat activities of organised crime*, [http://ec.europa.eu/dgs/home-affairs/doc\\_centre/crime/docs/study\\_on\\_extortion\\_racketeering\\_en.pdf](http://ec.europa.eu/dgs/home-affairs/doc_centre/crime/docs/study_on_extortion_racketeering_en.pdf) (Accessed 11 May 2014).
  - 30 Ibid
  - 31 P Monzini. L'estorsione nei mercati leciti e illeciti. Liuc Papers n. 1–Serie Storia, impresa e società. 1993
  - 32 Transcrime, *Study on extortion racketeering: the need for an instrument to combat activities of organised crime*, [http://ec.europa.eu/dgs/home-affairs/doc\\_centre/crime/docs/study\\_on\\_extortion\\_racketeering\\_en.pdf](http://ec.europa.eu/dgs/home-affairs/doc_centre/crime/docs/study_on_extortion_racketeering_en.pdf) (Accessed 11 May 2014)
  - 33 Ibid.
  - 34 According to Volkov, 'violent entrepreneurs', a term used to describe people who 'sell' violence, use both violence and coercion to achieve their ends. While violence is an immediate and visible use of force, coercion can be 'saved'. Yet coercion requires violence as a 'memory or potentiality' and for coercion to be effective, violence needs to be employed at least once. Each use of force (violence and coercion) is equally important for the violent entrepreneur and the costs and effects of these two modes are different.
  - 35 Andre Standing, *Organised crime: a study from the Cape Flats*, Pretoria: ISS, 2006, 85.
  - 36 Vadim Volkov, *Violent entrepreneurs*.
  - 37 Vadim Volkov, *Violent entrepreneurs*, 725.
  - 38 Vadim Volkov, *Violent entrepreneurs*
  - 39 Tony Roshan Samara, *Cape Town after apartheid: crime and governance in the divided city*, Minneapolis: University of Minnesota Press, 2011.
  - 40 See C Tredoux and J Dixon, Mapping the multiple contexts of racial isolation: the case of Long Street, Cape Town, *Urban Studies* 46(4) (April 2009).
  - 41 The ISS observed that 'While a significant proportion of white people (18%) said the suburbs they live in are most unsafe, more (27%) perceive themselves as particularly vulnerable in the city centre. Fear of crime in the inner city for these people probably relates to actual crime levels: suburbs are comparatively safer than other parts of the city where serious crimes are concerned. Impressions of the inner city formed through the media and general perceptions (often misplaced) of 'disorder' as a result of overcrowding and street hawking also play an important role, however. Fear of crime in the city centre, based on this package of issues, is nevertheless far less of a problem here than in Durban and Johannesburg.' See *Perception and reality: surveying crime in Cape Town*, Nedbank Crime Index, Volume 2, number 2, 1998. (<http://www.issafrica.org/pubs/CrimeIndex/98Vol2No2/PERSEPTION.HTML>) (Accessed 17 May 2014)
  - 42 Cyril Beeka was a well-known underworld and security figure in both Cape Town and Johannesburg. A 6<sup>th</sup> Dan karate expert, he was known for his violent temper and links to organised criminals (including Cape Flats gangster Rashied Staggie, alleged mafia boss Vito Palazzolo and notorious Czech fugitive Radovan Krejcir) and important government figures (such as former intelligence head Mo Shaik and former metro police chief Robert McBride).
  - 43 Irvin Kinnes, *From urban street gangs to criminal empires: The changing face of gangs in the Western Cape*, ISS Monograph 48, June 2000
  - 44 Some of the bouncers were Moroccan and for some reason this term was soon applied to all bouncers and their associates. A recent *Cape Times* interview with Housain Ait Taleb, a major role player, on the Moroccans, shed light on long-held assumptions about the group. He stated, 'At that time, everyone was called Moroccan. Even Cyril was called Moroccan.' He added, 'We are not mafia. We are a brotherhood ... We protect each other.' At the time of writing, seven members of the Moroccan group were involved in the bouncer scene in Cape Town. What his account does show is that law enforcement

- may have favoured alien conspiracy models. See Caryn Dolley, Band of brothers who patrol club scene, *Cape Times*, 30 January 2012, <http://www.iol.co.za/news/south-africa/western-cape/band-of-brothers-who-patrol-club-scene-1.1223533?ot=inmsa>. ArticlePrintPageLayout.ot, (Accessed 30 January 2012).
- 45 Irvin Kinnes, *From urban street gangs to criminal empires: The changing face of gangs in the Western Cape*, ISS Monograph 48, June 2000.
- 46 Irvin Kinnes, *From urban street gangs to criminal empires: The changing face of gangs in the Western Cape*, ISS Monograph 48, June 2000.
- 47 Vito Palazzolo has long been accused of being a top mafia 'banker' in the 'pizza connection', which was a channel used by the Italian Mafia to send drugs to the US in the 1970s and 1980s through pizzerias. His move to South Africa was shrouded in mystery and through high-level corruption means he managed to secure residency in the country. He is currently awaiting extradition in Thailand to Italy, where he faces a number of charges and a conviction in absentia. He denies these links and his rebuttals can be found on his personal website, <http://www.vrpalazzolo.com/>.
- 48 Henriette Geldenhuys and Warda Meyer, Thugs move on Cape Town clubs, *Weekend Argus*, 11 March 2012, <http://www.iol.co.za/news/south-africa/western-cape/thugs-move-on-cape-town-clubs-1.1253533?ot=inmsa>. ArticlePrintPageLayout.ot, (Accessed 11 March 2012).
- 49 The majority of cases against SPS employees have been dropped.
- 50 According to Andre Standing in *Organised crime*, this is one of the major differences between the transition state of Russia and South Africa. Whereas Russians suffered a severe decline in living standards and massive corruption, in South Africa this was far more limited.
- 51 Tony Roshan Samara, *Cape Town after apartheid*.
- 52 The 'broken-windows theory' is the belief that well-kept urban environments are less likely to suffer from the same urban disorders that plague badly maintained environments. Most famously it was implemented in New York, by then mayor Rudy Giuliani adopting a 'zero-tolerance' and aggressive police strategy. For more information see, James Q Wilson and George Kelling, "Broken Windows: The police and neighborhood safety", *The Atlantic*, 1982, Accessible online [http://www.manhattan-institute.org/pdf/\\_atlantic\\_monthly-broken\\_windows.pdf](http://www.manhattan-institute.org/pdf/_atlantic_monthly-broken_windows.pdf) (accessed 17 May 2014)
- 53 Interview with Nathan Ladegourdie, Assistant Chief, Vice Squad, Cape Town.
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