

The illegal abalone trade in the Western Cape

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Summary

This case study provides the context in which the abalone trade in South Africa occurs, describes the various stages of the trade and analyses the impact of the illegal trade on governance. The community of Hout Bay was chosen as it appears to typify the trade across the Western Cape. The report concludes that criminal governance in the abalone trade takes various forms. These include the marginalised turning to the informal economy; both abalone wholesalers and gangsters developing a level of power over a region that renders them parallel sources of authority; the corruption and co-opting of state officials; and, arguably, the state's reliance on the seizure of poached abalone.

THE ILLEGAL ABALONE TRADE provides an important case study of a criminal network in Cape Town and how it impacts on governance. The supply chain, or market processes of this trade reveal a number of connections that warrant further study. Of particular importance are the production, transportation and distribution processes, and the networks used. Particular attention must be paid to the history of the abalone industry, and the political and socio-economic context within which it operates. In the view of Hauck and Sweijd:¹

'Illegal exploitation is intertwined with issues that move beyond the traditional methods associated with

resource management and consists of numerous complexities that threaten sustainable utilisation. First is the involvement of a broad spectrum of role-players, ranging from those at the water's edge to highly organised syndicates. Whether involved as divers, assistants, bag carriers, look-outs, transporters, or buyers, both employed and unemployed people are involved in a hierarchy of poaching activities. Therefore it is difficult to define who is a poacher; those involved represent a wide variety of socio-economic, racial, and professional backgrounds.'

By contextualising and identifying the individuals within a network, a case

study can reduce certain conceptual barriers that exist in understanding the poaching trade. Von Lampe argues that if one is to define criminal networks as 'sets of actors that are connected by ties that in some way or other support the commission of illegal acts', they will constitute the 'least common denominator of organised crime and should therefore be taken as the key empirical referent of the concept of organised crime'.²

This case study is based on research conducted into illegal abalone trading in Hout Bay, Cape Town. This community was chosen as it is the location of major organised criminal poaching activity and appears to typify the trade across the



Abalone shells near Hangberg, Cape Town, courtesy of Pieter van Dalen

A HISTORY OF THE ABALONE POACHING INDUSTRY

1970s

Declining abalone stocks, as a result of overfishing and environmental reasons, lead to quotas and the criminalisation of abalone fishing.

1980s

The weakening of border controls sees the entry of foreign organised criminals, including many from Asia.

1990s

Poaching becomes highly organised, with local gangs at the shoreline working with international criminal networks.

2000s

Various measures are introduced, including developing environmental courts and specialised units. Many of these are closed shortly after.

Western Cape. Alongside the picturesque tourist attractions and residential areas of Hout Bay lies a sizeable commercial fishing harbour and an industry that comprises a number of larger and smaller commercial fisheries, as well as the activities of rights-based holders. The complex is a source of livelihood for a number of communities and businesses in the region, especially Hout Bay's Hangberg township. A predominately coloured area, Hangberg has over the years provided much of the labour for the fishing industry. The relationship between the residents of Hangberg and the state is a difficult and strained one.

For the study, a review of the literature preceded field trips during which interviews were conducted with key informants. The interviews elicited views from officials acquainted with monitoring and surveillance in the Department of Agriculture, Forestry and Fisheries (DAFF), community leaders, fisheries' experts, journalists, Trade Records Analysis for Flora and Fauna in International Commerce (TRAFFIC), and the shadow minister for agriculture, forestry and fisheries in parliament. This report briefly provides the context in which the abalone trade occurs,

describes the various stages of the trade in detail and analyses the impact of the illegal trade on governance.

Background on the illegal abalone trade

The illegal abalone trade has gained increasing attention because of the precariously low abalone stock levels around the Cape.³ The criminalisation of abalone trading is a relatively recent development, starting in the 1970s and intensifying in the 1990s. Declining abalone stocks in the 1970s as a result of overfishing, but also because of environmental reasons, forced the imposition of seasonal quotas. This resulted in increased poaching levels and the criminalisation of the abalone trade.

Weakening border controls from the late 1980s saw the entry into South Africa of foreign organised criminals by foreign criminals from Asia and China in particular, amongst others. Some of these began to develop smuggling and trafficking routes into and out of the country. At the same time, South Africa experienced a rapid growth in legal transnational trade and inward foreign investment. The increase in trade with



A close-up of illegally poached abalone shells, courtesy of Pieter van Dalen

Asia made it more difficult to track illegal exports and imports as such goods could be hidden within the larger volumes of legal goods.

By the late 1990s, poaching had become highly organised and lucrative, with 'street gangs' and local criminals and poachers on the shoreline, and transnational criminals (often the same Chinese/Asian gangs that had established themselves during the fall of apartheid) controlling the highly lucrative trade routes to Asia. The weakening of the rand against the US dollar buoyed this trade as the cost of illegal abalone became cheaper.⁴ The continual decline of abalone stocks resulted in government launching counter initiatives such as 'Operation Neptune' and 'Operation Trident', and the establishment of Environmental Courts. Despite the relative success of the operations and the courts, all were closed down in 2005. From 2007 to 2010 abalone was listed on the CITES index but this listing was withdrawn because of problems experienced with its implementation.

During this period, other significant developments occurred globally. The rise in Asian purchasing power and the

consequent rise in demand for abalone changed the market substantially.⁵ This was reflected by an increase in South African abalone export prices in real terms⁶ from R145,78 per kg in 1990 to R610,52 per kg by 2007, an increase that provided a huge incentive to poaching.⁷ According to DAFF officials, abalone in 2013 traded at around R1 000 per kg), while processed (dried)⁸ abalone traded at around R3 000 per kg. Dried abalone can currently fetch anything between R6 000 and R12 000 per kg once it reaches Asia.⁹

South African abalone is regarded as superior to abalone from other parts of the world. Although Chinese production of abalone has increased since late 2000,¹⁰ the demand for South African abalone has remained unchanged and the pressure on local stocks is unabated. Meanwhile, efforts to combat abalone smuggling continue to be blunted by low levels of international cooperation. Although Hong Kong and Chinese law enforcement agencies have been particularly helpful in curbing illicit drug trafficking to South Africa, they have reacted with less enthusiasm as regards abalone smuggling. Unlike drugs, abalone can

be purchased openly in Asian markets and consignments are difficult to trace once they leave South African shores. On top of this, South Africa's neighbours do not have legal mechanisms against abalone poaching comparable to those of South Africa, which makes it possible for abalone to be smuggled to these countries for repacking and shipping as legal products.

The poaching and trafficking network

The poachers

At the centre of the first level of 'production', the physical poaching of abalone in the Western Cape, lie a number of shoreline coloured communities that extract the abalone from the ocean. Whilst those involved in the trade may not necessarily be divers (various other roles exist, e.g. lookouts and drivers), they all form part of the production or poaching stage.

Abalone extraction of course also occurs as a recreational, subsistence and commercial fishing activity. These forms of extraction are regulated by permits and quotas. The quota system has been a cause of resentment for many communities in coastal regions and is open to abuse.¹¹ 'Abalone wholesalers' can also abuse the quota system, either by buying quotas from fishers or by encouraging legal fishers to overfish abalone. At the same time, individual fishers may overfish and commit a less organised form of poaching.

Poaching wholesalers and intermediaries

The abalone trade has moved from largely being in the hands of a marginalised population to one that is 'dominated by outside opportunists'. It has evolved from an informal activity by fishers into 'a highly organised commercial fishery run by organised criminal syndicates'.¹²

Organised individuals or groups of poachers make large profits from the criminalisation and prohibition of products by states, since such actions drive up prices. The undeniable allure of big money remains a prime motivator for both poorer and the wealthier poachers. Criminal networks often comprise a core of organisers at the centre directing illegal activity for substantial economic gain. The organisation of poaching networks may vary from syndicate to syndicate, while the influence of poaching syndicates will also change from region to region.

Often poaching wholesalers will work with a group of illegal abalone fishers, or they will employ a number of legal divers to abuse the quota system, or they will act as buyers of poached abalone from independent divers in a community. The wholesalers will have contacts with other groups and networks and be aligned to Asian criminal syndicates. For example, Asian fugitive trafficker Ran Wei, who is implicated in some of the largest abalone poaching activity in the country, was connected to two wholesale networks.¹³

Processing

Tied into the wholesaling process, is the processing of abalone. Abalone has to be processed quickly, i.e. de-shelled and preserved, as it can easily become stale or rot once extracted from its habitat. Drying or shucking the product is preferable as abalone in this form is not only more difficult to trace but has only a tenth of its original mass. At the same time the value of abalone in this form increases greatly. Many criminals thus prefer to process and export shucked abalone.

Sun drying is the ideal method but, as it requires a fair amount of skill and expertise, and is risky, industrial processing is often employed. Police have been aware of such processing plants in South Africa since 1993. They

are spread throughout the country, although they are concentrated on Gauteng. Processing space has increased substantially since the earlier 1990s and the quantities of abalone being handled today require whole houses or factories, while multi-ton

Organised individuals or groups of poachers make large profits from the criminalisation and prohibition of products by states, since such actions drive up prices

abalone poaching syndicates need industrial spaces. Since the price fetched by dried abalone is dependent not only on abalone quality but also on how well it is dried, the more sophisticated criminals employ high-quality equipment and drying specialists.¹⁴ Drying is, however, not the only way in which abalone can be processed; it can, for example, be canned.

Abalone traffickers

Within the Cape Town region there is an established link between drug dealers and Asian abalone smugglers. The focus of this relationship has been on the trade of abalone for Mandrax or methamphetamines, or the ingredients for methamphetamine production. Both drugs are particularly popular in the region, although methamphetamine, known locally as tik, has been replacing Mandrax as the drug of choice by both users and sellers. In 2007, Igshaan Davids, the reported leader at the time of the Americans gang on the Cape Flats, stated that he could trade \$43 000 worth of abalone for methamphetamine worth \$64 000. 'For two days more work, I make an extra R150 000,' he is quoted as saying.¹⁵ The relationship between drug dealers and abalone traffickers is not just anecdotal. It is confirmed by Steinberg, as well as Brick, Muchpowda and Visser.¹⁶ Steinberg states that the proportion of abalone

traded for drugs is substantial but difficult to estimate. He asserts that Chinese criminals have remained keen on supplying the Cape Town drugs market and that those drug lords who are able to gain cheap abalone can barter it for drugs.

The majority of transnational traffickers in abalone have been Asians. Whilst researchers have often referred to Asian criminal groups as 'triads' or 'Chinese mafia', these terms should be used with caution. Rather than being hierarchal bodies, the groups often have the form of 'fraternal', horizontally structured organisations in which individuals have a large degree of autonomy. Significantly, there is no single international abalone cartel or triad, not even an oligopolistic network, and, according to Gastrow, organised Asian criminals within South Africa rarely cooperate with 'triads' in other countries.¹⁷

Whilst traditional groups such as triads, jaotou and the tongs may have a turf, restricted membership and a hierarchal structure, there are many transnational networks that have no such attributes and consist solely of opportunistic businessmen.¹⁸ The modus operandi of varied Chinese transnational smugglers, including those who smuggle drugs and humans is similar, with a network consisting of a core group of organisers who resemble a 'group of entrepreneurs' rather than a criminal organisation and those on the periphery who are used for specific tasks. It is argued that most traffickers are 'simply bold risk-takers who work with family members, or form alliances with friends or other social contacts whom they come to trust' and is 'dominated by groups of entrepreneurs.'¹⁹

This is not to suggest that there are not a significant number of powerful criminal groups or networks in South Africa – there is sufficient evidence to validate their existence – but rather it is to be critical with regard to ‘alien conspiracies’. Chinese criminals engage with other criminal groups to conduct business. A study by Gastrow illustrated that from initial poaching to exportation to China, three different Chinese groups were involved within South Africa alone.²⁰

Methods of transport

Poached abalone is transported to processing locations within the Western Cape or nationally. From there the abalone is goes to neighbouring countries or direct to Asia. Transporters range from those working directly for a poaching syndicate to those who move the product nationally, regionally or internationally. Those involved in the first stage of transport often move abalone from the sea to a transport facility close by. Nationally, abalone traffickers have transport facilities across the country. Transporters may pay bribes to facilitate safe passage.

Transporters operating in the final stage have to pass customs and move their wares to Asian countries. This can be done in three ways. The first is to smuggle the product from South Africa to its destination direct by air or sea, using forged permits. Illicit abalone may also be concealed in or among other export products, or customs officials may be bribed to let smuggled items pass.

The monitoring of traffic exiting through ports is a major challenge. Poachers may sign false consignment declarations. DAFF investigations have shown that poached abalone is sometimes hidden in duvets or comforters, or mingled with pilchards. A difficult case was one in which abalone was smuggled with propylene pellets in a 20 t container. The consignment consisted of 18 bags, each

weighing 1 to 1,5 t. Checking the bags required the use of forklifts. Eight bags were found to contain abalone. Checking refrigerated containers is particularly difficult as the procedure raises the risk of causing irreversible damage to lawful cargo, which could become a costly exercise should no contraband be found.²¹ Successful interception has tended to be informed by intelligence and information. Both small and larger ports are used. While small ports have less security than larger ports, large ports have large traffic volumes that are difficult to control.

The smuggling of illegal abalone into a neighbouring country that does not have abalone trading legislation is made easier by the porosity of South Africa’s borders. Transport can occur by land, sea or light aircraft. The abalone is hidden in sealed containers and the odours are masked. The abalone is subsequently exported directly from the transit country or through South Africa, since South African authorities do not ordinarily check shipments that are in transit. Mozambique is a major transit

point as the country does not have legislation against abalone exports. Using import data from Hong Kong, TRAFFIC has compiled the accompanying chart to illustrate the quantity of abalone that is trafficked in this manner.²²

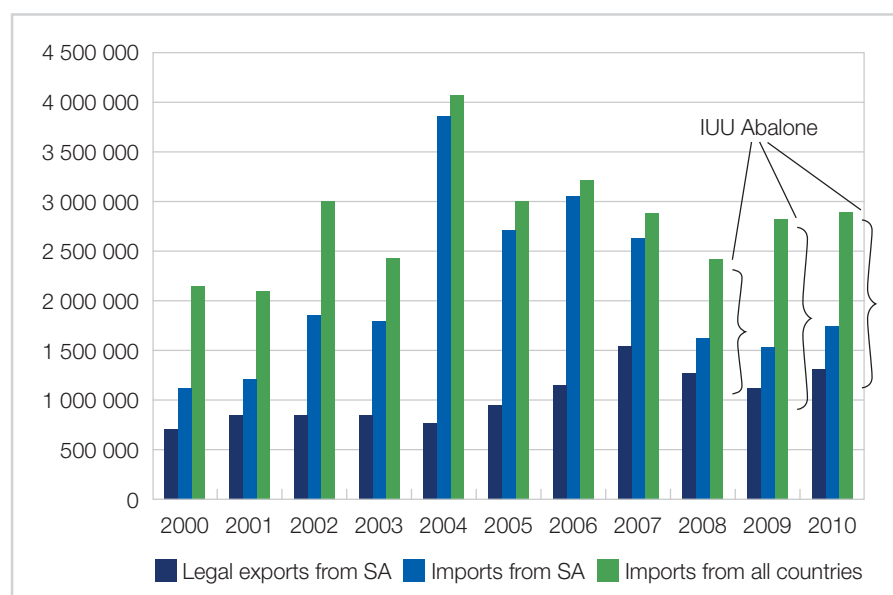
Criminal governance

On account of its magnitude, abalone trading affects governance. Two ways in which this occurs were examined in the case study, namely how it sustains an ‘informal’ and ‘criminal’ economy, and the tendency for the trade to ‘criminalise’ key components of the state.

Marginalisation and a turn to a ‘criminal’ economy

The poaching history of certain communities is rooted in the marginalisation and relocation of communities during the social engineering initiatives under apartheid. Forced away from their traditional livelihoods, affected communities took to poaching and fishing as a way to subsist. According to Steinberg, ‘the transition to democracy carried with it a universal

Figure 1: How trade data analysis can assist in determining volumes of IUU poached product: abalone imports into Asian countries from South Africa (kg)



Source: Markus Bürgener, TRAFFIC East Southern Africa

expectation that access to the sea ought to open up quickly and dramatically. To make the politics of the moment more complicated, many members of coastal coloured communities were deeply suspicious of the recently unbanned ANC.²³ It is apparent that the criminalisation of much of the abalone trade has marginalised some shoreline communities. These communities believe that, having been excluded by the apartheid government that favoured white commercial fisheries, they now

The criminalisation of abalone extraction has increased the number of people turning to crime other than for purely predatory gains. For example, in 2007, when the Cabinet suspended all abalone fishing in the hope that this would protect the species, there was a noticeable outcry from legitimate permit holders who were now left destitute despite being legal fishers and law-abiding citizens. The social plan accompanying the suspension was unclear to them, and many of them thus turned to illegal

Many people in these communities do not see poaching as a crime, and in Hangberg poaching is sometimes referred to as 'informal fishing'

suffer a similar fate at the hands of the ANC government. Hauck echoes this sentiment by referring to communities such as Hawston, where abalone poachers argue that they were forced into illegal poaching by government policies that affected them negatively. According to them, there needs to be a concerted effort to revisit rights and redistribution.²⁴

The legacy of apartheid, however, is not the only factor in the turn toward criminality. This is evident when the profiles of poachers in the Western Cape are compared to those in the Eastern Cape. Research in the Eastern Cape that profiled fishers in urban centres showed that the poachers in this region were multi-ethnic but predominately white Afrikaner males with a small component of local and Western Cape coloured males who serve mainly as shore-based divers or middlemen.²⁵ Like the coloured poachers of the Western Cape 'white Afrikaans-speaking fishers interviewed questioned the legitimacy of the post-apartheid government and were unwilling to accept the values of the new democratic dispensation.'²⁶

fishing to survive.²⁷ This sentiment was echoed in interviews conducted in Hout Bay, where communities were unhappy about the manner in which quotas were distributed and by the fact that influential community members had gained access to significant quotas by corrupt means without ever 'getting wet'. A community leader in Hangberg has referred to these rights holders as 'white collar gangsters.'²⁸

Marginalisation of local communities fosters community resistance to regulatory law enforcement and turns people toward non-state sources of social order. Aggressive policing has pushed people further away and increased their social exclusion. Many people in these communities do not see poaching as a crime, and in Hangberg poaching is sometimes referred to as 'informal fishing'.²⁹ The likelihood of poachers being reported to the authorities is far less than with other crimes.

Furthermore, within a marginalised society such as Hangberg, the community will more easily accept those who are involved in poaching, which increases the poachers' influence.

2007

CABINET SUSPENDED ALL ABALONE FISHING IN THE HOPE THAT IT WOULD PROTECT THE SPECIES

There is evidence to suggest that large-scale poachers, who employ a number of divers and collect and wholesale abalone, have turned to 'criminal philanthropy' to gain community support in certain areas. Such philanthropy involves donations to people and religious bodies, and financial support of local sporting projects.³⁰ This is a strategy similar to that employed by drug dealers in the Cape Flats, who provide certain services and money to residents to gain community support. However, criminal philanthropy often goes in conjunction with threats of violence to the community and officials.³¹ Many smaller coastal communities with limited law-enforcement capacities have been flooded by gangsters from Cape Town who used a mixture of violence and corruption to develop a stranglehold on the illegal abalone industry.³²

It should be noted, however, that the relationship between communities and the state is not a simple antagonistic binary of marginalised communities versus the state. Steinberg has stated that despite the perceived sense of injustice by communities about the limitation of fishing in certain areas, studies have proven that many communities overwhelmingly disapprove of illegal poaching.³³

At the same time, it can also be argued that greed plays an important role in the lure of poaching. Many young boys (as young as 10) are recruited by poaching syndicates as lookouts and soon learn the poaching trade, earning large sums of money in the process.³⁴ This development means that many youngsters will choose poaching as a career and are often proud of their chosen profession. In Hangberg, many youngsters have rejected a lifestyle of gangsterism in favour of poaching as the risks are lower and the rewards greater.³⁵ This in turn has led to many youths leaving school at a young age as they poach at night and are too tired for



There is virtually no security or compliance checking at Hout Bay harbour. (Image: Khalil Goga)

school during the day. Hangberg High School now has a disproportionately low number of coloured male students in its ranks. The large amounts that can be earned from poaching also make the incentive to turn away from poaching less enticing and entrenches the position of poaching in the economy.³⁶ Failure to gain sufficient skills means that poaching is the only viable job opportunity for such persons. Whilst a vast number of people are unemployed and seek to make a living from poaching, there are a noticeable number of persons who either moonlight as poachers or have left the formal economy or given up schooling, to pursue the profits of the abalone industry.

The oversupply of methamphetamines, the bartering of these drugs for abalone and the profits this entails for Cape Flats gangsters is probably one the largest potential concerns in terms of criminal governance in the region. Unlike the other actors involved, gangsters in the region have been central to the governance of the region for decades and are firmly solidifying their positions. It is an undeniable fact that parts of the Cape Flats and coastal towns are

under the influence of criminals and that this reduces the functions of state. Standing has illustrated that much of the power of these criminals comes from the wealth they have accumulated. This wealth gives them the ability to buy off parts of the community by providing protection.³⁷ An offshoot of the abalone-for-drugs bartering system is that there is a substantial increase in income and therefore power in a crowded market.

Failure of the state and the criminalisation of the state

Lack of state capacity and regulation

There is a perception that state institutional capacity is mismanaged and that this increases the ability of poachers to conduct their activities. What was noticeable during research trips to Hout Bay was the severe deterioration and lack of control at the state-run harbour. There is virtually no security or compliance checking at any point. Fishing boats being docked were not checked as required by the Marine Living Resources Act, and much of the port was in disrepair compared to privately run harbours in the area.



Fishing boats docked at Hout Bay harbour were not checked, as required by the Marine Living Resources Act (Image: Khalil Goga)

Boats that required repair had sunk along the jetties and those who anchored their boats in the state harbour complained of massive vandalism and theft because of a lack of security. Access to 'secure' areas was uncontrolled. Furthermore, it was evident that the contents of fishing boats were being unloaded straight onto trucks and in full view of port officials and transported from the harbour without being inspected and weighed. The failure of the state to regulate these spaces allows criminality to thrive.

Despite all difficulties, smuggled abalone is regularly traced and confiscated by Marine and Coastal Management (MCM). But this has added a new dimension to government involvement. It has been reported that because of the poor financial state of the MCM, which is now part of the DAFF, up to 30 per cent of the organisation's budget derives from this activity.³⁸ *Nosweek* has reported that the MCM sold confiscated abalone for R18/kg when the price it could have obtained was R350/kg.³⁹ The magazine cynically argues that 'the aim is to seize and sell

enough abalone to stay in business, but not so much that poaching stops and revenue dries up'. The DAFF has dismissed these accusations, stating that confiscation of abalone does not add much to the department's budget. The DAFF states further that the bidding process for confiscated abalone is above board.⁴⁰ Reliance on a poaching industry to maintain a state department is one of the more interesting examples of the 'fuzzy' dividing line between organised crime and the state. The assets confiscated as a result of abalone poaching range from a single car to assets worth R16 million as in the case of Elizabeth Marx of Gansbaai.⁴¹

Herein lies the paradox for the DAFF. Its institutional status creates a 'legitimate' racketeer that 'competes' with organised criminality. Experts have hinted that the DAFF has a vested interest in confiscation over prevention. Experts have also expressed a concern that the relocation of Fisheries from Environmental Affairs to the Department of Agriculture, Forestry and Fisheries has not assisted in limiting poaching.

R350/kg

THE PRICE THAT THE MARINE AND COASTAL MANAGEMENT COULD HAVE OBTAINED FOR CONFISCATED ABALONE

Corruption and criminalisation of the state

As stated earlier, a range of officials, from the DAFF, the police and customs, and investigators, are involved in the control of the abalone supply chain. Importantly, there have been a number of cases where police involvement moved beyond a 'mere' looking away or the sale of information to criminal elements to more active involvement in the criminal network, not only in the Western Cape, but nationally.

Immigration officials have been bribed as much as R5 000 for a work permit and R20 000 for a permanent residence permit

But corruption need not be limited to law enforcement. Asian criminals are known to corrupt immigration and customs agents, with Minnaar's research having shown that immigration officials have been bribed as much as R5 000 for a work permit and R20 000 for a permanent residence permit.⁴²

Whilst Asian criminals have often focused on the corrupting lower officials, corruption at higher levels also occurs through other criminal facilitators and actors. There are also connections between higher officials and abalone traffickers. For example, drug traders have relationships with law enforcement officers as well as abalone traffickers. The trial against Glenn Agliotti not only illustrated a high level of corruption, but also collusion in terms of drug and abalone trafficking, and an intricate web of dealings with the state. What was demonstrated by the trial is that Chinese and South African criminals interact both as far as drugs and abalone is concerned. Facilitators like Agliotti frequently provide the necessary protection, and high-level corruption can thus include a facilitator or 'proxy'.⁴³

A different type of role-player was evident in the case of Philip du Toit, who played a curious role in a Cape Flats–Chinese crime connection. Du Toit facilitated exchanges between Chinese criminals, such as the mysterious Mr Lau who supplied ephedrine used in the manufacture of tik to criminals on the Cape Flats. At the same time, Du Toit was employed by the National Intelligence Agency, who used him for information on Chinese criminals, and the Scorpions. He was also used by

George Fivaz and company to conduct surveillance work. Du Toit thus had high-level connections with important members of a criminal network whilst engaging with licit actors. He eventually became the centre of a surveillance controversy in the Western Cape and was arrested for being in possession of substantial amounts of abalone. On receiving notice of his arrest, Cape Premier Helen Zille personally made calls to investigate the matter.⁴⁴ Leveraging his position on both fronts, Du Toit is an example for the merging of 'upper' worlds and underworlds.⁴⁵

Steinberg logically argues that the idea of a 'big man', or a controlled monopoly or oligopoly over the illegal abalone trade in South Africa, is a creation of South African law enforcement officials. For Steinberg, the relative ease of entering into the market combined with the low capital requirement for conducting an abalone-poaching and smuggling operation makes a network of smaller players far more likely. Hopes by law enforcement officials to destroy or arrest a few 'Mr Bigs' are therefore not realistic. If this analysis is correct, it will be very difficult to disrupt the abalone trade as

new networks can easily spring up at any time. Although a law enforcement agent in Steinberg's study is quoted as saying that there could be only 11 major multi-ton abalone smuggling syndicates, there are hundreds of individuals who work in these networks and can pick up the pieces and continue the trade. Therefore, according to Steinberg, 'while organised crime investigations could certainly destroy the businesses of individual abalone smugglers, it is unlikely that they could seriously impair the abalone smuggling market as a whole. The best that organised crime investigation can do in a flat, capital-light market is to significantly increase the risk of smuggling abalone, and thus the cost of smuggled abalone.'⁴⁶

Criminal governance in the abalone trade thus takes various intersecting forms. These include the marginalised turning to the informal economy in the wake of lack of opportunity; both abalone wholesalers and gangsters developing a level of power over a region that renders them parallel sources of authority; the corruption and co-opting of state officials; and, arguably, the state's reliance on the seizure of poached abalone.

Notes

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- 3 Levels of abalone were at 8 per cent of pristine (which is the level needed to sustain fishing in 2011). Fiona Macloed, Fishing experts put red alert on lobsters, *Mail & Guardian*, 18 February 2011, available at <http://mg.co.za/article/2011-02-18-fishing-experts-put-red-alert-on-lobsters/> (accessed 14 April 2013).
- 4 Johnny Steinberg, *The illicit abalone trade in South Africa*, ISS Paper 105, 2005.
- 5 Ibid.
- 6 This figure was calculated using an online inflation calculator which bases its figures on StatsSA data. It is accessible at <http://inflationcalc.co.za/> (Accessed 20 May 2014)
- 7 Raemakers et al, Review of the causes of the rise of the illegal South African abalone fishery and consequent closure of the rights-based fishery, *Ocean & Coastal Management* 54, 2011, 433-445
- 8 Abalone can be dried using a variety of techniques, including sun-drying or by the use of machinery. Since dried abalone is lighter and more compressed, it is more valuable and easier to smuggle.
- 9 Statements made a DAFF official, February 2013
- 10 Peter Cook and Roy Gordan, World abalone supply markets and pricing, *Journal of Shellfish Research* 29(3), 2010: 569–571, available at <http://www.fishtech.com/ThailandSymposium1.pdf> (accessed at 10 March 2014).
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- 12 Hauck, M, Rethinking small-scale fisheries compliance: from criminal justice to social justice, 2009, PhD thesis, Department of Environmental and Geographical Science, University of Cape Town.
- 13 DAFF interview, February 2013
- 14 Others can facilitate this. For example, during a large Mandrax bust linked to Glenn Agliotti, industrial equipment for abalone processing was also confiscated.
- 15 Mark Schoofs, As meth trade goes global, Cape Town gangs barter rare shellfish for drugs, *Wall Street Journal*, 21 May 2007, available at <http://online.wsj.com/article/SB117969636007508872.html> (accessed 14 April 2013).
- 16 Johnny Steinberg, op. cit., as well as Kerri Brick, Edwin Muchapondwa and Martine Visser, Abalone poaching, methamphetamine use, criminal activity in South Africa and the associated implications for resource management (draft paper), available at [http://www.commerce.uct.ac.za/economics/seminars/2009/Brick%20et%20al%20\(2009\).pdf](http://www.commerce.uct.ac.za/economics/seminars/2009/Brick%20et%20al%20(2009).pdf) (accessed 14 April 2013).
- 17 Peter Gastrow, Triad societies and Chinese organised crime in South Africa, Institute for Security Studies, Occasional Paper No 48, 2001.
- 18 James O Finckenauer and Ko-lin Chin, Asian transnational organized crime and its impact on the United States: developing a transnational crime research agenda, *Trends in Organized Crime* 10(2), 2006.
- 19 Ko-lin Chin and Sheldon X. Zhang, *The Chinese Connection: Cross-border Drug Trafficking between Myanmar and China*, Final Report made to United States Department of Justice, available at <https://www.ncjrs.gov/pdffiles1/nij/grants/218254.pdf> (accessed 20 May 2014)
- 20 Gastrow, op. cit.
- 21 South Africa's scanners (there are 5 in total) to check containers are of limited use, with one in Durban harbour and a mobile unit for presidential security (the other three are unaccounted for). DAFF interview
- 22 Presentation made by TRAFFIC.
- 23 Suspicion of the ANC was evident from the voting patterns in the 1994 elections. Communities voted predominately for the apartheid National Party rather than the ANC. See Steinberg op. cit.
- 24 Hauck, M and Sweijd, N.A, op. cit.
- 25 Serge Raemaekers, Rethinking South Africa's small-scale fisheries management paradigm and governance approach: evidence from the Eastern Cape, Phd thesis, Rhodes University, 2009.
- 26 Ibid.
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- 46 Steinberg, op. cit.



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