

RE-CONCEPTUALISING ORGANISED CRIME

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This commentary aims to broaden the current approach to understanding organised crime. The orthodox method has been to conceptualise organised crime as a rather specific and isolated criminal entity. This mindset encourages certain assumptions and policy recommendations that are problematic. To overcome these shortfalls, this commentary suggests a broader perspective based on the notion of a ‘criminal economy’. To illustrate how this perspective may lead to new views of organised crime, this commentary will sketch a case study based on research into the criminal economy that exists on the Cape Flats.

The two perspectives

In South Africa, the study of organised crime has focused predominantly on exploring the *internal characteristics of specific groups*. Subsequently, descriptions of organised crime tend to list the various criminal groups that are operational. Typically these lists are divided between those that are foreign (such as the Nigerians, the Chinese Mafia, the Russian Mafia and so on), and those that are made up of domestic criminals. This approach to understanding organised crime, both in South Africa and abroad, has led to definitions based on lists of traits. The most common traits to be identified include; the existence of an internal hierarchy, a code of secrecy, a division of roles, restricted membership (often based on ethnici-

ty); the use of violence and the use of initiation rituals.

This group-based approach has encouraged certain assumptions about organised crime. In particular, organised crime is seen as an external (and often foreign) conspiracy working against the interests of legitimate society. Consequentially those adhering to this view tend to champion aggressive policy responses that in sum boost the strength of the state to remove the threat posed by criminal organisations. Thus, in South Africa the police have developed specialised units to proactively investigate organised crime and the Prevention of Organised Crime Act was passed which enabled the criminal justice system to prosecute individuals, as well as seize their assets, for merely being a member of an organised crime group.

Whilst the group-based perspective has led to insightful research and important advances in the fight against organised crime, it is an approach that draws two critical observations:

- A growing body of evidence has suggested that much organised crime is not perpetrated by distinct groups, made up of unique career criminals. Instead, organised crime often involves a loose and highly changeable association of people, including businessmen and corrupt public officials, not only ‘gangsters’. Many scholars have termed these relations as ‘networks’. However, this label may be slightly misleading as networks

invoke images of horizontal associations based on trust, where analysis of criminal relations often reveals high levels of exploitation, paranoia and conflict. The concept of a *criminal economy* seems preferable.

- It follows, then, that the policy of aggressively 'removing' individuals involved in organised crime may be ineffectual. If organised crime is not conducted by isolated entities, then key arrests are unlikely to reduce the overall impact of organised crime. Instead, arrests may merely remove competitors in the criminal economy and open new opportunities for other participants. Unfortunately, traditional official statistics, such as the number of arrests or volume of contraband seized, will not adequately tell this story.

These two criticisms mean that a group-based approach, characterised by a tendency to concentrate on the internal structure of distinct criminal entities, needs to be complimented with a broader perspective: one based on understanding the structure and dynamics of criminal economies. However, this perspective is more complex and demanding than a group-based approach to organised crime. To understand a criminal economy one must identify the structure of its associations. This involves exploring the links between individuals and groups and identifying governing mechanisms.

What is more, whereas a group-based perspective has encouraged aggressive moves by the police to remove presumed criminal organisations, the criminal economy perspective should encourage a more strategic response based on harm reduction. Thus, the detrimental impact of the criminal economy needs to be made explicit and policies should be aimed at reducing or even managing these harms. For example, the major harmful effects of the trade in Mandrax may be identified as drug dependency, high levels of income generating crime to raise drug money, and perhaps the impact of prison on those who are caught by the criminal justice system. Policy-makers need to consider how best to reduce these harmful effects and a successful strategy may, or may not, involve an intensification of law enforcement. Moreover,

it should be noted that increases in these effects cannot be monitored by counting the number of people arrested for dealing, or by the total volume of drugs seized. Alternative means to investigate the success of policy decisions may involve inventive measurements such as monitoring the number of drug-related illnesses seen by doctors or documenting the price and purity of drugs.

Clearly a criminal economy approach to organised crime demands a co-ordinated response drawing on a wide range of expertise and knowledge. This should be contrasted with the group-based perspective, which is presumed to be adequately dealt with by police working in isolation.

The structure of the criminal economy on the Cape Flats

Considering the Cape Flats as a case study can highlight the structure of a criminal economy. The Cape Flats is a suburban area of Cape Town that has become infamous for its high levels of violent and economic crime.

Although there has been limited material published on the subject, it would seem uncontroversial to report that many people outside the Cape Flats understand organised crime in the area as being dominated by a chaos of competing street gangs. However, by considering the power relationships between groups and important individuals, an alternative picture emerges. That picture is of a criminal economy that is not run by gangs, but is in fact governed by a coherent, if somewhat capricious, hierarchical system based on internal class divisions.

Before describing these class divisions, it is necessary to briefly introduce the main role-players and organisations. These can be divided into three broad categories: street gangs, drug merchants and corrupt officials.

Street gangs

Although there are no available statistics, a popular *guesstimate* puts the number of individual gangs operating on the Cape Flats in the hundreds, with the number of gang members at roughly 100,000. As expected, with such a high number of gangs there is a great deal of variety

in their structure and characteristics. To make sense of these it helps to imagine a continuum—based on longevity, size and power—upon which all gangs can be placed. At one end of the continuum lie groups that can be referred to as ‘primary gangs’, at the other are groups referred to as ‘emerging gangs’.

Primary gangs

Of the several hundred gangs that exist on the Cape Flats, a small number have become much larger than the rest. The largest at the moment is the ‘Americans’ gang, which is closely rivalled by the ‘Hard Livings Kids’. Both have a membership of several thousand, are organisations that have outlived their original leadership core and now operate throughout the region.

An elaborate hierarchy governs each of these primary gangs. At the top are a few men who share overall command. In the Americans gang for instance, there are three men who are believed to form a leadership core. Beneath this upper tier are several ‘area generals’ who are responsible for members in various pockets of the Cape Flats. These generals act as middlemen in the organisation, who mobilise their members in times of gang conflicts and who also run local business interests, such as fencing stolen goods, selling drugs, running unlicensed drinking houses and so on. Beneath the area generals are the majority of gang members, some of whom may be employed for special purposes, such as bodyguards, intelligence officers, assassins and financiers.

Due to their sheer number, members of the primary gangs do not operate together *en masse*. However, sustaining the gang’s unity is partly achieved via a shared culture (i.e. members share specific tattoos, dress codes and slang) and partly via a general animosity to outsiders. This resulting loyalty is tested in times of gang conflicts when members are expected to band together and fight.

Whilst the primary gangs can be viewed as social groups of sorts, they also protect lucrative business operations for their upper-tier. Drugs are key commodities that are supplied ‘top-down’—from the leadership core to the area generals who then distribute to outlets

and individual dealers. The profits from the drug trade have clearly made the area generals and the gang leaders exceptionally wealthy, and these men reinvest profits in a wide range of personal businesses, some illegal, and some legal. However, the majority of the non-skilled members of the primary gangs are not involved directly in the trade and will therefore not be party to any profits—the business interest of the upper tier are a privilege and are detached from the rest of the group. Indeed, viewed in relation to the gang’s drug trade, the low ranking members of the group are more accurately defined as consumers who rely on supplies from the upper tier.

Emerging and mid-sized gangs

A plethora of small gangs form and die out on a regular basis. Most of these short-lived groups last as long as their initial members and some consist of no more than 10 individuals. Unlike the primary gangs, they approximate the classic notion of a gang in as much as they are egalitarian, move together in a group and share a common territory.

Because of their smaller size, all emerging gangs are bound to one territory. It is for this reason that many communities of the Cape Flats have developed into complex patchwork of areas where one gang resides. Such is the density of gang boundaries that for many gang members their lives are highly claustrophobic, being confined to one small block of streets.

Due to this peculiar existence, two considerations are key to emerging gangs: the threat of conflict (invasion) and economic survival (income). The latter can be seriously compromised by restrictions in mobility. For many, earning opportunities will require travelling through rival gangs’ territories. A common means of resolving these constraints is via affiliations with primary gangs. Typically this affiliation involves area generals from the primary gangs offering protection to the emerging gang and supplying them with weapons. In return, the larger gang demands support in gang conflicts and may also supply the smaller gangs with drugs for reselling in their area. Thus, this arrangement works for both parties—the smaller gang is provided with protection and an

income, where as the larger gangs increase their power base and the upper tier can expand their drug markets. It may also be the case that for small gangs such affiliations provide them with increasing mobility for they will be able to roam through territories that were previously out of bounds.

Having established these affiliations, some of the emerging gangs will continue to evolve and some may mature into more enduring organisations: which can be called mid-sized gangs. These groups may expand their territories through successful gang fights, mergers or even by offering affiliations to other emerging gangs. Furthermore, the introduction of drug dealing tends to foster a basic hierarchy in the group as the gang leader assumes central ownership over drug distribution and becomes the key contact with the primary gangs with whom he is reliant for trade and security.

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

Criminal entrepreneurs: the drug merchants

A very small number of men, and occasionally women, succeed in establishing a lucrative position in the illicit economy. Often these people are referred to as drug merchants, or more flatteringly as drug lords. These titles reflect the fact that such people derive their considerable wealth from capturing a reliable supply of drugs from outside the region, which they then distribute in bulk. However, drug dealing is rarely their sole economic interest, and drug merchants will have a broad business portfolio.

The relationship between successful criminal entrepreneurs and the various street gangs is ambiguous and often misunderstood. Many

people outside the Flats assume that gangs control drug distribution. Indeed, many of the main drug merchants have risen through the ranks of street gangs and dealing in drugs is a privilege of higher-ranking gang members. However, drug dealing is not an activity that the entire gang is involved with and it is misleading to see gangs controlling drug distribution. Again, in relation to the drug economy, it is far more accurate to define the vast majority of gang members as consumers rather than as participants in the supply industry.

This separation of business interests from the gangs is evident by the fact that some prominent drug merchants operating on the Cape Flats have no obvious street gang affiliation. It may be the case that many of these entrepreneurs were once members of gangs but as their careers evolved they became increasingly detached from low ranking members. Instead of relying on the gang for protection, these independent operators employ specialist personnel to help with their operations, such as bodyguards, distributors and 'debt-collectors'.

As yet, no single drug merchant has made a concerted move to establish a monopoly on the Cape Flats, although some operate larger areas than others. Given the density of gang affiliations and the sheer number of armed gangsters in the area it would seem unlikely that any one merchant could dramatically expand their business area. Thus, merchants can operate with a great deal of autonomy and many seem surprisingly secure in their territory. The only time that this situation changed was during the intensification of vigilantism aimed at drug dealers, which began in 1996. In response, many of the region's prominent drug merchants formed a syndicate (later known as 'The Firm') that was rumoured to co-ordinate drug sales and offer increased protection for its members. However, as the threat from vigilantism waned, "The Firm" gradually disbanded amid bickering between its members, further testimony to the loose business environment.

Corrupt officials

It is a widespread and much lamented belief that some members of the police operating on the Cape Flats are involved in ongoing illicit

enterprise. If true, this would make local police officers rather typical, as corruption has become almost synonymous with areas containing high levels of organised crime. Indeed, one local academic has been so bold as to claim that no organised crime group can exist without protection from law enforcement, although this is probably an overstatement.

Analysis of the relationship between corrupt police and the criminal economy must differentiate between two types of activity: high- and low-level corruption. The first involves high-level involvement in commodities trading. Accusations have been made that senior police officers derive considerable rent income from large-scale illicit trade, and at times have been responsible for controlling distribution of goods including arms and drugs. Proving these allegations is fraught with difficulties. Criminologists have long noted that the power bestowed to corrupt state officials hides them effectively from prosecution and investigation. However, it should also be noted that in an area in which police are despised by many, sensational allegations might be driven more by emotion and less by valid insight. For the time being, high-level corruption must remain a hypothesis worthy of further investigation, rather than as a rumour implied to be fact.

The second form of corruption is both less grandiose and far more evidential. Low-ranking police officers in many areas of the Cape Flats accept bribes from drug merchants and gang leaders and, in return, favourably disrupt the work of the police force. A familiar story involves a police raid on the premises of a drug merchant who has been tipped off in advance. Power in this relationship lies firmly with the drug merchant, as it is unlikely that low-ranking police could intimidate wealthy, well-armed drug merchants. The corrupt police officer should therefore be seen merely as a 'service provider' in the criminal economy.

The market model of the criminal economy

When the above descriptions of the different role players are brought together, a picture emerges of the structural relations of the criminal economy. Instead of viewing organised

crime on the Cape Flats as a being operated by a series of distinct criminal organisations, a hierarchical system based on the division of four classes is revealed.

- The first class contains the small number of criminal elite. These people are wealthy leaders of large gangs and major drug merchants who import drugs to the Cape Flats. They have amassed substantial personal capital and tend to own numerous legal businesses and property. They are loosely associated with each other and may exploit congenial relations with local police to remain safe from state investigations.
- The second class operates as a form of middle management. This comprises the second tier of larger gangs and leaders of mid-sized gangs who operate local drug markets. These people do not import commodities into the Flats but rely on receiving consignments from the upper tier.
- The third class provides semi-skilled labour and involves those who provide support and services to the first and second classes, including corrupt police, bodyguards, debt-collectors and advisors. In return for these services they will receive a wage or fee that elevates them from the lowest class.
- The fourth and final class covers the large numbers of *unskilled gangsters* of the criminal economy who are low ranking members of the various street gangs controlled by certain members of the upper tiers of the criminal economy. Unlike the other classes they receive little financial reward from the major illicit industries in the area and must rely on opportunistic income-generating crimes such as theft. However, their presence provides security to the upper tiers of the criminal economy as they may be called upon to fight in intra-gang conflicts. Moreover, they generate a great deal of income for the upper tier because they represent key consumers of their goods and services.

Conclusion

This brief description of the criminal economy of the Cape Flats was achieved by exploring the relationships between participants as well

as the governing mechanisms that organise the distribution of key commodities. It is an incomplete picture and future research should reveal further information on such issues as trade agreements; the complex influence of the region's prison gangs; the relative profits enjoyed by each class and the tensions that may exist between the classes; as

well as the internal methods used to deal with these. It is only when policy-makers are armed with this greater understanding of the structure and dynamics of the criminal economy that they will be able to decide both on the nature of strategic interventions, as well the appropriate data to monitor these decisions.