



R155 billion a year! The cost of organised crime as South Africa becomes a haven for mafia-style networks

Organised crime detectives investigating the assassination of underworld kingpin Cyril Beeka raided the home of Czech national Radovan Krejcir in this file picture. Picture: Etienne Creux / African News Agency (ANA)

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R155 billion! That is what the Democratic Alliance (DA) says organised crime has cost the South African economy each year.

Responding to [the 2023 Global Organised Crime Index](#) which revealed that South Africa ranked in the top 10 out of 193 countries in the world for crime, Dion

George, the DA Shadow Minister of Finance said: “The systematic degradation and hollowing out of South Africa’s law enforcement agencies by the ANC government has turned the country into a haven for organised crime syndicates.”

According to the Global Crime Index, South Africa’s criminality score went from 6.63 in 2021 to 7.18 in 2023 - the seventh highest in the world and the third highest in Africa.

Myanmar has the highest criminality score (8.15), followed by Colombia (7.75) and then Mexico (7.57). In Africa, the Democratic Republic of Congo (7.35) and Nigeria (7.28) were ahead of South Africa.

According to the global report, South Africa’s crime networks, often fuelled by corrupt relationships, have entrenched the criminal economy deeply within the country, leading to a “crisis of trust in government and law enforcement”.

The DA, utilising data from think tanks and government statements, said that these criminal networks, including the notorious Eskom Mafia, illegal mining networks, and [wildlife syndicates](#), are draining a staggering R155 billion from the national economy.

“These [syndicates](#) are threatening to overrun every sector of the economy annually,” George said.

According to the DA, the breakdown of the criminal network/Mafia groups cost to economy is the following:

- Construction Mafia R17bn
- Infrastructure vandalism and arson (copper cable and rail track theft) R47bn
- Eskom organised crime networks R12bn
- Kidnapping and extortion syndicates R146 million
- Illicit economy (illegal drugs and guns) R13.6bn
- Wildlife criminal syndicates (illegal abalone and rhino poaching) R1.2bn

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- Illegal mining networks (zama zamas) R14bn
- Tender corruption R30bn
- Tobacco and cigarettes Mafia R20bn

According to the DA, the R155 billion figure is considered conservative, reflecting only the direct costs incurred by the State or legitimate sector entities due to the criminal activities.

It does not account for the substantial knock-on effects on the economy, such as the R187 billion impact per annum due to persistent cable theft and infrastructure vandalism affecting entities like Telkom, Eskom and Transnet.

South Africa's law enforcement agencies are seemingly powerless against the escalating organised crime, with the country scoring a dismal 5.63 in the GOCI's measure of a nation's ability to combat organised crime, placing it 49th globally and first in the Southern African region.

"With these grim statistics, it does not help that South Africa's law enforcement agencies are struggling or unable to effectively deal with the problem of organised crime," George said.

In 2022, the National Prosecuting Authority (NPA) warned that the weakening of the criminal justice system had rendered South Africa a lucrative playground for organised criminals and various illicit actors.

George urged that the first step to combat this menace is for law enforcement to designate these activities as national priority crimes, adding, "Organised criminal

gangs pose a direct threat to the national interest and if left unchecked, would continue to exact a significant cost to the economy through lost jobs and declining investment.”

The alleged involvement of high-ranking politicians has seemingly emboldened criminal networks, holding the State to ransom.

A recent incident involved KZN MEC for Public Works and Human Settlements, Siphso Nkosi, allegedly negotiating with construction Mafia groups, who demanded R5 million for protecting the Durban City Hall from being blown up.

The DA is calling for immediate and stringent actions to curb the rising tide of organised crime, emphasising the need for the Directorate for Priority Crime Investigations (Hawks) to use its authority to officially designate organised crime syndicates as national priority crimes.

According to the Global Crime Index report, released on Tuesday, the long history of corruption between public officials and criminal organisations has eroded public trust in government and law enforcement, with corruption being pervasive across various state departments, including senior levels within prosecution and prison services, the report noted.

The report said that accusations of the political system being a kleptocracy have tarnished the image of the South African police, leading to a significant drop in public trust.

“Mafia-style groups, well-armed and associated with high levels of violence, are increasingly prominent, particularly in Cape Town and the Western Cape, but also found in pockets in Johannesburg, Nelson Mandela Bay, and Durban. These groups, often emerging in geographically and topographically defined contexts, spread more widely after achieving success, engaging in violent disruptions of construction sites and extortion of protection fees from businesses,” the Index reported.

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