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Construction mafia threat stalls R63 billion projects

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The menace of construction mafia networks continues to threaten South Africa's infrastructure development programme, but government says coordinated efforts are yielding results.

According to the department of public works and infrastructure (DPWI), hundreds of arrests and convictions have been recorded since a nationwide anti-extortion campaign was launched.

According to government figures, more than 180 infrastructure projects valued at about R63 billion were disrupted between 2019 and 2024 by criminal syndicates demanding a share of contracts through intimidation, extortion and violence.

The disruptions have stalled

projects ranging from roads and bridges to schools, clinics, housing developments and water infrastructure.

ActionSA has warned infrastructure development has become a battleground where criminal syndicates decide who builds, who benefits and whether projects proceed at all.

ActionSA Mpumalanga MPL Thoko Mashiane said communities were left without basic services and young people lost out on employment opportunities.

DPWI spokesperson Lennox Mabaso said government has intensified its response since the signing of the Durban Declaration at the National Construction Summit in November 2024.

"The department has made significant progress in the fight against construction-related extortion and criminality, but

we remain clear that this is an ongoing battle against organised criminal networks," he said.

According to figures released by DPWI Minister Dean Macpherson, more than 770 cases of construction-related extortion and intimidation have been reported nationally since the declaration was signed.

The cases have resulted in 241 arrests and 176 convictions.

Mabaso said one of the clearest indicators of progress was in KwaZulu-Natal, historically regarded as the epicentre of construction mafia activity.

"Site disruptions have declined from more than 60 incidents a month last year to fewer than 10 incidents a month this year," he said.

However, government acknowledges that construction mafia operations are evolving.

According to specialist private investigator Mike Bolhuis, extortion networks had become embedded within parts of the construction value chain, to the extent that some contractors were allegedly pricing extortion-related losses into project costs.

Mabaso said this is why the department was adapting its strategy to address these emerging threats.

"The department is aware that construction mafia activity does not only take the form of visible site invasions, intimidation or violence," he said.

To counter this, government is developing a social facilitation framework aimed at improving stakeholder engagement before projects commence, addressing legitimate community concerns early and reducing opportuni-

ties for criminal groups to exploit local grievances.

The department is also implementing reforms through the South African construction action plan, including procurement reforms, real-time tender monitoring, procurement war rooms, enhanced due diligence on contractors and subcontractors, digitised project tracking and the development of a national blacklisting database.

Government has also raised concerns about the use of front companies and coordinated supplier networks to secure public contracts fraudulently.

Mabaso said existing controls include supplier verification processes, conflict-of-interest declarations, contractor grading requirements and referrals to law enforcement agencies where criminal conduct is suspected.