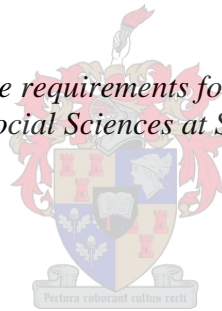# Drugs, Death Squads and Politicians: The Rise of Non-State Armed Actors in Rio de Janeiro

by

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Declaration

By submitting this thesis electronically, I declare that the entirety of the work contained therein is my own, original work, that I am the sole author thereof (save to the extent explicitly otherwise stated), that reproduction and publication thereof by Stellenbosch University will not infringe any third party rights and that I have not previously in its entirety or in part submitted it for obtaining any qualification.

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Abstract

The research presented serves to illuminate historical state actions that allowed for non-state armed actors to rise to prominence in Rio de Janeiro, specifically between 1964 to 2018. This is done by working through the research question: *Why and How Have Non-State Armed Actors Emerged in Rio de Janeiro?* Numerous geographic locations, specifically the favelas – informal housing- of Rio de Janeiro are under the control of traffickers and rogue police units. How does this happen in the world's 9th largest economy? Previously the topic of non-state armed actors in Rio de Janeiro has been examined from sociological and anthropological approaches. This research addresses the topic from a political science focus by making use of a variety of state-focused and state societal relations theories. A single case study, exploratory design was chosen to provide an in-depth approach to the topic which had received little attention in the field of political science. Since no single theory allowed the topic to be explored in-depth, a framework was developed based on a variety of state-focused and state societal relations theories. Due to the lack of English literature available on certain topics, a combination of desktop and field research was required, which entailed spending one month in Rio de Janeiro, speaking to a variety of stakeholders. Each case study chapter explores a specific time period, highlighting key political, societal and economic events that took place.

The events are examined through the lens of the created framework to explore how these actions created the context for non-state armed actors such as trafficking groups and rogue police units, or rather militias, to control segments of territory in Rio de Janeiro. While each chapter provides different time periods, there were salient consistencies. Historical police brutality, alienating favela residents, poor economic decision making by the state, and the lack of survival mechanisms for those living in poverty created the context for another actor to fill the void left by the state. By providing resources such as physical security, economic opportunities and infrastructure upgrades, traffickers won favour from favela residents. Over time rogue policing units, or known as militias, would combat trafficker control of favelas through coercive means. Once under control, there would be protection taxes and the control of service and commodities. The traffickers and the militias were able to garner support and control over geographic areas within Rio de Janeiro through either coercive means or the provision of resources. This could only be done because the state had failed to provide an environment of survivability for its most vulnerable citizens while being unable to effectively control the emergence and growth of non-state armed actors.

Opsomming

Die navorsing wat voorgelê word dien om die historiese optrede van die nie-staatsgewapende akteurs te illustreer in Rio de Janeiro, veral tussen 1964 tot 2018, wat gelei het tot die styging van prominensie. Dit word gedoen deur die navorsingsvraag: *Hoekom en Waarom het Nie-Staatsgewapende Akteurs na vore gekom in Rio de Janeiro?* Verskeie geografiese liggings, spesifiek die "favelas" – informele behuising – van Rio de Janeiro word beheer deur smokkelaars en korrupte polisie-eenhede. Hoe gebeur dit in die wêreld se negende grootste ekonomie? Voorheen is die onderwerp van nie-staatsgewapende akteurs in Rio de Janeiro vanuit sosiologiese en antropologiese benaderings ondersoek. Hierdie navorsing ondersoek die onderwerp vanuit 'n politieke wetenskaplike fokus deur gebruik te maak van 'n verskeidenheid teorieë wat op die staat en die staats samelewingsverhoudinge gefokus is. 'n Enkele gevallestudie met 'n verkennende onderwerp is gekies om 'n diepgaande benadering te gee tot die onderwerp wat tot nou toe op die gebied van politieke wetenskap min aandag ontvang het. Aangesien geen enkele teorie dit daartoe verleen om die onderwerp in diepte te verken nie, is 'n raamwerk ontwikkel wat gebaseer is op 'n verskeidenheid teorieë wat op die staat en die staats samelewingsverhoudings teorieë gegrond is. As gevolg van die beperkte beskikbare Engelse Literatuur oor sekere onderwerpe, maak die navorsing gebruik van 'n kombinasie van rekenaar- en veldnavorsing. Dit het 'n ook 'n maand in Rio de Janeiro genoodsaak om met 'n verskeidenheid belanghebbendes direk te praat. In elke hoofstuk wat fokus op gevallestudies word 'n spesifieke tydperk ondersoek, waarin die belangrikste Politieke, Sosiale, en Ekonomiese gebeure wat plaasgevind het, uitgelig word.

Die gebeure word ondersoek deur middel van die lens van die gevormde raamwerk om te ondersoek hoe hierdie aksies die konteks geskep het vir nie-staatsgewapende akteurs soos smokkelaars en korrupte polisie-eenhede, of liewer milisies, om sekere gebiede in Rio de Janeiro te beheer. Terwyl elke hoofstuk verskillende tydperke bevat, was daar opvallende konsekwenthede. Historiese polisie-brutaliteit, vervreemding van faela-inwoners, swak ekonomiese besluitneming deur die staat, en die gebrek aan oorlewingsmeganismes vir diegene wat in armoede leef, het die konteks geskep vir 'n ander akteur om die leemte wat die staat gelaat het, te vul. Deur hulpbronne soos fiesieke sekuriteit, ekonomiese geleenthede en infrastrukstuuropgraderings te voorsien, het smokkelaars die guns van favela-inwoners gewen. Met verloop van tyd het korrupte polisiëringseenhede, oftewel milisies, ook mensehandel beheer deur favelas met dwang te gebruik. Sodra dit onder beheer was, sou daar

beskermingsbelasting wees, asook beheer van diens en kommoditeite. Die mensehandelaars en die milisies kon die geografiese gebiede binne Rio de Janeiro ondersteun en beheer deur middel van dwang of deur middel van die voorsiening van hulbronne. Dit kon slegs gedoen word omdat die staat gefaal het in die voorsiening van 'n omgewing van oorleefbaarheid vir sy mees kwesbare burgers en terselfdertyd was hulle nie in staat om die opkoms en groei van die gewapende akteurs effektief te beheer nie.

Dedication

My Father.

Dad, you have given me the world and for that I can never thank you enough. Raising me as a single dad never stopped you from being the best possible father, mentor and over all inspiration.

I couldn't have gotten here without you.

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First and foremost, Prof. Janis van der Westhuizen has been the most incredible supervisor I could have ever asked for. Without his guidance over the past two years and inspiring me for this topic when I stepped into his third-year class some years ago I could not have produced this. Thank you Janis, you really went above and beyond. (WHERE).

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Fourth is Dr Derica Lambrechts for being a mentor (and boss) to me during my post graduate journey, without her I am not sure where I would have ended up. Sushi lunches, Kenya, academic conferences and even Stephen King gave way to insightful conversations that have assisted me in all avenues of my life, including my thesis. Thank you for believing in me when I did not.

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Finally, Stellenbosch University and the Department of Political Science. You have given me an education, the opportunity to lecture and the best years of my life. You will be missed.

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Acronyms

ADA – *Amigos dos Amigos* (Friends of Friends)

ALN – *Açao Libertadora Nacional* (National Liberating Action)

AM – *Associação de Moradores* (Residents Association)

ARENA – *Aliança Renovadora Nacional* (The National Renewal Alliance)

BFP – *Bolsa Família Programa* (Family Allowance Program)

BOPE - *Batalhã de Operaçõ Policias Especiais* (Special Police Operations)

CHISAM – Coordenação de Habitação de Interêsse Social da Area Metropolitana do Grande
Rio (Brazil Coordination Interest Housing of the Greater Rio Metropolitan Area)

COLINA – *Comandos de Liberaçao Nacional* (National Liberation Commands)

CV – *Comando Vermelho* (Red Command)

DOI-CODI – *The Departmento de Operações de Informações – Centro de Operações de
Defensa Interna* (Department of Information Operations – Centre for Internal Defence
Operations)

GDP – Gross Domestic Product

GDPpc – Gross Domestic Product per Capita

GPAE – *Grupamento de Policiamento em Áreas Especiais* (Special Area Policing Grouping)

IMF – International Monetary Fund

LGBT – Lesbian, Gay, Bi and Trans

LSN – *Lei de Seguranca Nacional* (National Security Law)

NGO – Non Government Organisation

OAB – *Ordem dos Advogados do Brasil* (The Order of Attorneys of Brazil)

OBAN – *Operação Bandeirante* (Bandeirante Operation)

OPEC – The Organization of Petroleum Exporting Countries

PAEG – *Programade Acao Economica do Governo* (Government Economic Action Plan)

PMBD/MDB – *Movimento Democrático Brasileiro* (The Brazilian Democratic Movement)

PT – *Partido dos Trasbalhadores* (Workers Party)

TC – *Terceiro Comando* (Third Command)

UN – United Nations

UPP – *Unidades de Polícia Pacificadora* (Pacifying Police Unit)

URV – *Unidade Real de Valor* (Unit of Real Value)

VAR – *Vanguarda Armanda Revolucionária-Palmares* (Revolutionary Armed Vanguard-Palma

Chapter 1: Research Outline

1.1 Background

Brazil is the ninth largest economy in the world and is a member of the G20. Yet in 2015, the Brazilian state and businesses lost 285 billion Reals to crime, a significant increase from the 113 billion that was lost in 1996. The federal government found that the total cost of public security in Brazil consumed 4.38% of its GDP in 2018. These costs had been calculated as insurance, public security, imprisonment, legal and medical costs, private security and productivity losses (Biller & Said, 2018). Rio de Janeiro, in particular, is fighting its own war against crime and violence, which, over the decades, has statistically always achieved a higher homicide rate than the national average (Mourão, Lemgruber, Musumeci & Ramos, 2016:11). Lower class residents predominantly tend to feel the brunt of this escalating crime wave, and while the government has launched multiple attempts to curb the problem, it has been largely unsuccessful, despite a variety of innovations. For example, Emergência RJ is a mobile phone application that has been developed and implemented over the past few years and is used by residents in Rio de Janeiro. The application allows users to track gunfire around the city which subsequently allows citizens to avoid areas that are currently seeing, (or have seen in the past) high levels of gun activity. One company reported 700 incidents taking place in August 2018 alone, an 80% increase compared to August of 2017 (Mills, 2018).

While the wealthy in Rio de Janeiro make use of armoured cars and bodyguards, the ordinary population must use what is available to avoid the daily criminality, with applications such as Emergência RJ having allowed such. The need for basic awareness or armoured cars and bodyguards stems from the excessive crime rates being experienced by Rio de Janeiro. Criminality and homicide rates do not occur in the large numbers by rogue elements or common thieves, but rather a number of sophisticated organised crime groups, or rather traffickers and recently militias (Cano & Ribeiro, 2016), which operate within Rio de Janeiro's shantytowns, the favelas. These homicide rates come from violent clashes with police, conflict between traffickers based on territory, and innocent civilians caught in the crossfire or being mistaken for traffickers by police. These groups operate in nearly every one of Rio de Janeiro's several hundred favelas or shanty towns, where the primary operation is the trafficking of cocaine. However, kidnapping, marijuana, arms, and even human trafficking are daily occurrences (Leeds, 1996).

Several policing policies, interventions, and projects have had little to no long-term impact upon crime and violence in Rio de Janeiro, and especially within the favelas. At the start of 2018, then President Michel Temer ordered the deployment of 30 000 armed forces soldiers to patrol the favelas and surroundings. However, this initiative has not contributed to stopping the drug trade in the favelas, nor has it contributed to bringing down the dominant trafficking groups (Alves, 2018). The traffickers have to some degree become political actors, whereby they have taken over some of the favela home-owners association or *Associação de Moradores* (AM). The AM brings the issues of favela residents as well as the needs of the community to local politicians. With traffickers leading most of the AM inside Rio de Janeiro's favelas for decades, they have brokered deals with politicians. This is because favela residents make up one-third of Rio de Janeiro's population, and traffickers instruct residents on how to vote based on deals through the AM and politicians (Cano & Ribeiro, 2016:368).

While Rio's residents have to engage with traffickers daily, another form of non-state actor also forms part of this system of violence. Rogue police officers, retired or still active, have their own organisations called militias. Starting as retired police officers wanting to remove criminal elements without following the rule of law, they were initially ignored by the state. These militias were tolerated until 2008, when a reporter and her crew were tortured. At this point, the government deemed them to be a criminal element that needed to be stopped as with the traffickers. The militias have now forcefully taken over infrastructure in Rio de Janeiro's poorer areas as well as some middle-class suburbs. They control gas, electricity, rent and television access. An additional tax is paid to the militias in order obtain these services, with some areas even having curfews (Cano & Ribeiro, 2016). How did all of this happen in the world's ninth largest economy? This thesis aims to answer this question.

1.2 Research Question

Why and How Have Non-State Armed Actors Emerged in Rio de Janeiro?

1.3 Purpose

The purpose of this study is to embark upon a historical examination in order to explore what accounted for the rise of non-state armed actors in Rio de Janeiro. I will argue that despite the horrific homicide rates and high levels of non-state armed actors, it is by no means an environment that was created by a single event or person, but rather a process that has been

evolving over decades due to economic and political conditions. It is also the intention of this thesis to add to the existing English literature on organised crime in Rio de Janeiro, and to provide a potential point of departure for future research on the long-term causes of criminality in other developing countries. Given the predominance of sociological and anthropological research on this issue, this thesis seeks to contribute a political science perspective, which is often under-examined in the literature.

1.4 Preliminary Contextualisation

In 2008, Ben Penglase published an article titled *The Bastard Child of the Dictatorship: The Comando Vermelho and the Birth of "Narco-Culture" in Rio de Janeiro* in which he explains the connection between the dictatorship and the creation of the Red Command. Although he was not the first author to point this out, he did explore the concept more in-depth than any other scholar. For example, Leeds (1996:59) and Arias (2006:29) both acknowledge the role the dictatorship had to play in the creation of the Red Command but it is but a subsection of their overall work. Penglase (2008) has produced the only in-depth analysis of the dictatorship and the Red Command.

Penglase (2008:125), Leeds (1996:52) and Arias (2006:29) maintain that due to the authoritarian state clamping down on who it deemed as a threat to the state, intellectuals-turned-guerrilla fighters were mixed with common criminals on the prison island of Ilha Grande. From here the guerrillas taught the prisoners the concept of unity and organisation, which created a strong prison gang and formally became the Red Command in 1978. Once released from prison, this unitarian ideology remained and the Red Command began to grow in the favelas, a geographic area that had faced numerous hardships by the authoritarian state. From here they would form a base of operations and buy support from residents in the area. Here they grew into the organisation that still terrorises Rio de Janeiro to this day (Leeds, 1996; Arias 2006; Barbassa, 2015; Dowdney, 2003). There is a consensus amongst scholars that the lack of service by the state during the dictatorship and into the democratisation period has played heavy hand in the growth of non-state armed actors in Rio de Janeiro, but as mentioned it is done in the way of single snapshot in time (Leeds, 1996; Arias 2006; Barbassa, 2015; Dowdney, 2003). Leeds (1996) provides the most comprehensive exploration of this idea, however, her work extends to 1996 and not beyond despite publishing books on a variety of research topics about the favelas.

Most authors of the English literature agree that the Brazilian dictatorship allowed for the creation of the Red Command. There has been little exploration into ideas on what the state did during this period to create such an entity that would one day rival parts of the state (Arias 2006; Barbassa, 2015:20; Dowdney, 2003). Leeds (1996:52) briefly explores the idea of hatred for the state, which helped create the Red Command, and garner support when the group left prison, but Leeds does not go into detail. Gay (2015:29) also explores this when he interviewed a notorious Red Command leader from the 1980s and 1990s. Out of these interviews, it is clear that the hardship inflicted upon favela residents by the state, as well as the guerrillas (groups who opposed the dictatorship and would later be housed in Ilha Grande), created the perfect context for a non-state actor to emerge, using animosity for the state to form a foundation. While all the authors mentioned above have explored these dynamics, few have analysed it in sufficient detail from the perspective of state-societal/state-centred approaches.

This idea of the state neglecting segments of the population and the creation of the Red Command since the dictatorship provides a starting point for numerous studies and observations of non-state armed actors in Rio de Janeiro. Leeds (1996) and Arias (2006) focus extensively on the clientelism that occurs between low-level state officials and traffickers since the democratisation period from 1985. Leeds (1996:59) notes that due to the power traffickers hold within the favelas, low-level politicians would exploit this and grant favours in order for the traffickers to force residents to vote for that candidate. Zaluar (2000:654) further adds that the traffickers require the state to thrive by making deals with certain state entities to secure votes.

Arias (2006), when conducting fieldwork, found the same findings on clientelism as Leeds (1996) a decade later, with little academic research being conducted on this since then. Arias & Barnes (2017) went back to examine his past research and has confirmed that this type of clientelism still exists to this day. While clientelism and corruption have been a salient focal point for studies of drug trafficking and organised crime in Rio de Janeiro, various studies ranging in topics have stemmed from this. Dowdney (2003:33) and Zaluar (2000:653) for example, explore how youth became involved within trafficking networks. Both authors agree on the idea that constant contact, working parents, and monetary benefits draw children into criminal networks and can earn up to US$50 a day by being a look out for the traffickers; from there they rise through the ranks. Furthermore, feminist scholars have explored the idea of

hyper-masculinity to explain the prevalence of gang violence in Rio de Janeiro (Wilding, 2010; Zaluar, 2011).

The most recent research has explored state police interventions into the favelas to try and remove the traffickers. On this topic, a plethora of work exists. This is due to the implementation of the UPP intervention program which changed tactics from previous interventions to create strong relations between favela residents and the state. The *Unidades de Polícia Pacificadora* or Pacifying Police Unit (UPP), is a policing program that combined coercive intervention measures as well as social development in an attempt to lower crime and violence in the favelas. It is because of this radically different approach that numerous scholars have investigated its effectiveness and evaluated its outcome. This research dominates the contemporary literature on Rio de Janeiro and traffickers. Oosterbaan & van Wijk (2015:182) highlight that at the start of the UPP, the intervention was effective and had managed to drop homicide rates, but one saw a spike in crime and violence in favelas not subject to the UPP intervention. However, their study concluded in 2012/2013, and thus the key criticisms came from 2013 onwards.

Cano & Ribeiro (2016:368) for example highlight that 2013 marked the end of the UPP despite it still carrying on to this day. From 2013 onward, one could see an increase in police violence against residents, police officers not taking calls (Gardiner, 2018), and traffickers operating in broad daylight. Cano & Ribeiro (2016:367) state that historically police brutality has been a part of life for favela residents and distrust remained, even when a new approach to removing traffickers was taken. However, in 2008 a new actor emerged in the headlines (despite being active for a number of years), which would combat the traffickers but also undermine the state; they were known as the militias.

The militias are mentioned by Barbassa (2015), Leeds (1996) Arias & Barnes (2017), Gay (2014) and Oosterbaan & van Wijk (2015) but with little in-depth information on the groups. The most in-depth analysis of the militias - which consists of active and retired police officers, firemen and prison officials – is Cano & Ribeiro (2016). Barbassa (2015), Gay (2014), Arias & Barnes (2017) and Leeds (1996) mention throughout their work the militias as death squads formed by police officers taking law into their own hands over the years and each briefly mention government connections. Cano & Ribeiro (2016) however, explore the militias connection to the state as a focal point and how the militias have moved beyond just killing

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traffickers. The term militia was given to these groups in 2006 due to their rapid expansion, and their operations taking over favelas from the traffickers and providing protection for residents at a price. It was also during 2006 that militias began to move beyond protection taxes, creating monopolies on commodities and services for favela residents and eventually expanded into middle-class neighbourhoods. The group was hailed as an answer to a public problem by the state until 2008 when it was uncovered that a militia group had tortured a journalist and her crew for investigating them. From 2008 they publicly became another violent actor, but with state connections.

While all authors have discussed various notions of why non-state armed actors have managed to grow in prominence, they provide snapshots in time or draw primarily from a sociological and anthropological perspective. This thesis seeks to examine the growth of non-state armed actors from a political science perspective, and seeks to explore this growth over several decades. Leeds (1996) and Arias (2006; 2017) have provided the most comprehensive exploration of politics and crime in Rio de Janeiro, however, they examine it in isolated studies, or through focalizing one idea in a somewhat compact manner. Little contemporary information exists, outside of the Cano & Ribeiro (2016), on the continued nature of growth for non-state armed actors in Rio de Janeiro, especially when examining the historical expansion of the militias. While Arias & Barnes (2017) provides some insight, it provides more of a continuation of his previous work on clientelist needs than an overall examination of why the traffickers continue to grow in prominence. Most literature, when exploring Rio de Janeiro and traffickers, almost always link traffickers to corrupt politicians and police officers but do not explore *the broader and historical context from which these networks were created*, especially from a state leaning approach.

Since 1964, Brazil's economy and political sphere has been complicated, dropping and rising in terms of state capacity in all areas, which is the argument proposed in this thesis: *that these fluctuations allowed for capacity gaps for these groups to emerge with little resistance.* For the purpose of this study in the field of political science, a more state-centred approach is to be to be taken which is why theories of the state will be used to construct an analytical framework to explore the research question, '*Why and How Have Non-State Armed Actors Emerged in Rio de Janeiro?'* from a historical approach.

1.5 Outline

Chapter 2 will introduce the theory and subsequent theoretical framework used to examine the research question. Here, theories on state-societal relations, state capacity, state failure, and developmental states will be examined to construct a theoretical framework that will be applied to the case of Rio de Janeiro within the parameters of the research question.

Chapter 3 will explore the historical period of 1964 to 1985, which marks the dictatorship period of Brazil and provides a contextual examination in which the first non-state armed actor was established as well as exploring relations between society and the state. It emerges in this chapter that animosity and distrust towards the state grew within the favelas during this period. This animosity, as well as declining state capacity was used by the Red Command once they left Ilha Grande in order to grow operations and expand within the favelas.

Chapter 4 will explore the historical period of 1986-1999, and will examine the post-dictatorship era and how Rio de Janeiro and Brazil as a whole would manage to secure democracy. It also explores the changing tactics in dealing with non-state armed actors, with the state ultimately failing in its conquest. It is found within this chapter that the period directly after the dictatorship allowed for non-state armed actors to grow, as the state had to fix growing inflation and solidify democracy. For this reason, local politicians utilised traffickers for their own reasons, while the state of Rio de Janeiro made poor policing policy decisions, leading to an environment of growth for non-state armed actors.

Chapter 5 will explore the period from 2000-2018. This includes an exploration of the build-up to the need for the Brazilian Armed Forces to enter the favelas and replace public security in Rio de Janeiro. Furthermore, it provides a look into the contemporary security situation and state-societal relations. This chapter shows that Brazil faced severe economic and political setbacks which impacted upon its coercive capacity, despite, the state's attempt at interventions. The ultimate failure of intervention strategies led to the use of Brazil's Armed Forces and led to deteriorating state societal relations, as well as failure to curb violence and crime in the favelas.

Chapter 6 will discuss the core themes outlined in the study as well as provide areas of interest for future research.

1.6 Research Design

Due to the in-depth historical approach undertaken, focusing on the period of 1964 to 2018, a single case study design focusing on Rio de Janeiro proved to be the most appropriate method, as it provided in-depth information on a specific phenomenon (Burnham, Lutz, Grant & Layton-Henry, 2008:64-66). That being said, the case study design limits the applicability of the study for making generalisations about the phenomenon or having strong policy implications. Because of the limited research that approaches the research question from a political science perspective, the study also makes use of an exploratory design to reveal new information on the topic, specifically uncover the context in which these groups emerged over time. It is because of this lack of political science-based research that an analytical framework was created which draws primarily upon state-oriented theories, in order to provide an analytical lens through which to explore the topic.

1.7 Research Methodology

The methodological approach to this study is qualitative in nature and predominantly desktop research. However, due to the fact that most prominent research on the topic has been done in Portuguese, and thus some information was unavailable from a desktop approach, field research had to be conducted. The field research was conducted, from October 25th to November 20th 2019, by means of semi-structured interviews in Rio de Janeiro. The semi-structured nature allowed for the salient questions to be answered, but also for a fluid conversation that explored areas that were not considered by myself prior to the interview.

Prior to travelling to Rio de Janeiro, eleven interviews[1] had been scheduled, including a mix of NGOs, academics, and Think Tank researchers. However, during the course of field research this number dropped to four, and only included academics from private and public universities which ranged from professors who specialised in policing and criminality to PhD students who had focused on state societal relations and state human rights abuses. These proved to be adequate, as the interviews were lengthy and detailed. Contact was made to potential individuals to be interviewed from a meeting that occurred in early 2018 in which a Brazilian postgraduate exchange student helped me in piecing together some information and gave me the contact details of individuals that could potentially help. Day-to-day observations within Rio de Janeiro while travelling through to various areas for interviews and exploring the city

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[1] Interviewee identities are kept anonymous, outside of basic information, as requested by each participant

proved insightful as well. Upon returning to South Africa, two interviewees continued to assist me with finding information and providing statistical data.

1.8 Limitations

The most salient issue during the course of the research was the language barrier when it came to finding articles and navigating government statistical data. Minimal recent literature has been written in English – or rather there is a lack of detailed literature on the actors in Rio de Janeiro – where a plethora exists in Portuguese. Another set of salient problems were homicide statistics, police murders and fiscal spending, which are often sourced incorrectly in English literature. This ultimately brought doubt to the legitimacy of some of the academic articles and I found numerous articles that had incorrect statistical data. To resolve these issues, I realised I needed to conduct fieldwork in Rio de Janeiro and conduct interviews with key stakeholders. Through the interviews, it was also discovered that academics writing from outside of Brazil often misjudged certain events or dynamics within Rio de Janeiro. An example which stood out was the work done by Oosterbaan & Joris van Wijk (2015) when exploring the UPP intervention program. They cite numerous statistics such as police killings and the number of UPP operations set up, however, these figures are contradictory to what is said by Brazilian scholars, official reports, and news media. These figures were difficult to obtain, but once one examines numerous sources to find the figures, one can see that they differ from what Oosterbaan & van Wijk found.[2] This is not to say that their entire body of work was incorrect, as they made many accurate observations; rather the statistical data they used was wrong. This problem occurred with several other articles, not only from a statistical standpoint but from an observational one, especially when it came to state-societal relations and political dynamics in Brazil.[3]

One month in Rio de Janeiro was also not long enough, as many interviews were cancelled and interviewees would have liked to reschedule, thus reducing the confirmed interviews from eleven to four. Many potential interviewees cited the elections for the delay and cancellation of interviews, a political event which should have influenced travel dates in hindsight.[4]

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[2] Cited sources for statistics in their work were found to be broken internet links.

[3] This comment is based on information presented to individuals interviewed during fieldwork in Rio de Janeiro in which they disagreed or corrected certain statements obtained from academic sources. Not just one individual, but all of them. They highlight that it is rather the contemporary analysis of Brazil that is interpreted incorrectly rather than the historical dimensions.

Personal and family funding allowed for one month of field research, which at first was considered more than adequate for transportation, lodging and food. However, as the field research continued and interviewees wanted to reschedule, a longer period of time through increased funding would have been beneficial to gathering salient information for the thesis.

1.9 Ethical Considerations

While the bulk of information was acquired through desktop research, there is limited accurate information in English available, which is why semi-structured interviews were opted for to aid in these literature gaps. Due to the nature of the interviews, academics, and NGO leaders, on an ethical basis, the research was classified as low risk by the Departmental Ethics and Screening Committee. However, each interviewee was given a document to read and sign to acknowledge what the interview is as well as the ability to withdraw their participation at any time. They also received a digital copy of the form once the interview had been completed, as well as a guarantee that the information will be held securely and their identities kept protected. The description provided in the bibliography has been approved by all those that took part in the interviews. The Research Ethics Committee approved my research proposal on the 30th of August 2018 and field research was conducted in Rio de Janeiro from October 25th to November 20th.

Chapter 2: Theoretical Framework

2.1 Introduction

In her book, *Favela* (2010:206), Janice Perlman writes: 'Since the drug dealers took over the Residents' Association, they have been able to pressure people into voting for the candidate of their choice without interference from the police, the judiciary or any other level of government. The magnitude of the drug money – and the willingness of the gangs to use deadly force – buys the complicity of officials all the way to the top'. The Brazilian state is neither fragile nor collapsed – contrarily, it is the world's 9th largest economy. So then how did the drug lords and their associated criminal networks acquire such tremendous power in Brazilian society? This thesis aims to seek an answer to this question.

The purpose of the following chapter is to create a theoretical lens through which to examine Brazil, and specifically Rio de Janeiro with specific focus on state types, state capacity, and what happens when a state cannot provide for its citizens. After examining the most prominent literature on state types, capacity, and strength, this chapter develops an analytical framework which will be applied to the case of Rio de Janeiro. Any examination of Brazil begs the question: what type of state allows for organised crime elements to influence politics in such a blatant manner? To examine state typologies, the chapter begins by examining Kohli's work on developmental states. He argues developmental state types exist on a spectrum. On the one extreme side you have neopatrimonial, the weakest, one could argue failed or even collapsed and on the other side, cohesive capitalist, the strongest in terms of development. Between these two exists a more moderate state type, the fragmented multiclass state. The spectrum is important as it suggests that a developmental state can also change, which will be illustrated further on in the case of Brazil. The starting point of this thesis sees Brazil fit into the cohesive capitalist archetype. However due to enduring nature of the fragmented multiclass state type that Brazil experienced during the historical period covered in this thesis, it will be examined in depth as this is where Brazil can be placed on the spectrum as pointed out by Evans and Kohli.

Both Evans and Kohli examine the concept of state reach (or its bureaucratic effectiveness) and its ability or inability to control lower levels of society, yet they do not go into great detail on this aspect. Hence the value of Mann, who differentiates between despotic/personal power and infrastructural power, with each having a lesser and greater extractive capacity

respectively; however this idea is not explored in great detail. Extractive capability is tied to the area of state capacity, in which the fiscal capacity of the state is considered the most salient as it allows for greater coercive capacity, bureaucratic capacity. The interaction between these types of capacity allows for greater reach and effective control over society. This is followed by Rotberg's work, in which he examines what happens when a state has limited capacity, exploring the concept of state strength.

Rotberg, a key author in the field, provides a strength spectrum, ranging from weak, to failing, to failed, and to collapsed. However, for the purpose of this study, only weak, and failed states will be examined. This is because Brazil contains aspects of what Rotberg refers to as a strong state, whilst also bearing a variety of characteristics from weak and failed, specifically from a corruption and criminality perspective. While Rotberg examines the levels of state strength and their characteristics, what is the outcome from the societal level when the state is unable to provide? The above question leads to the salient idea behind Rio de Janeiro's rise of non-state armed actors, by using O'Donnell's concept of brown areas and Migdal's state society model. Both O'Donnell and Migdal's work explore what happens when the state has little presence, penetrative ability and another actor begins to provide resources for citizens. The final discussion provides an outline to how Brazil, and specifically Rio de Janeiro will be examined in order to answer the question '*Why and How Have Non-State Armed Actors Emerged in Rio de Janeiro?*'.

2.2 Three Basic State Types in the Developing World

Traditionally, Marx and Weber stand as the 'father figures' of the class-based versus the pluralist or liberal school of thought about the development of the state. Since this thesis draws primarily from the Weberian school of thought, it is necessary to provide his famous definition of what the state is:

> It possesses an administrative and legal order subject to change by legislation, to which organized activities of the administrative staff, which are also controlled by regulations, are orientated. This system of order claims binding authority, not only over the members of the state, the citizens, most of whom have obtained membership by birth, but also to a very large extent over all action taking place in the area of jurisdiction. It is thus a compulsory organisation with a territorial basis. Furthermore, today, the use of force is regarded as legitimate only so far as it is permitted by the state or prescribed by it. … *The claim of the modern state to monopolize the use of force is*

essential to it as its character compulsory jurisdiction and of continuous operation (Weber, 1968:56; emphasis added).

Taylor's (2013:21-23) work on state fragility examines Weber's work extensively, raising an important point: while the state has the claim to the monopoly of force, by no means does that always imply it has the capacity or ability to do so. Often the ability of the state rests on its structure of development. In his book, *State-Directed Development*, Atul Kohli explores three ideal type states. Each ideal type has a varying degree of economic development and ability to exert control within its territory. These ideal types are Neopatrimonial, Fragmented-Multiclass and Cohesive Capitalist states.[5]

Although Kohli examines three types of states, this section will focus upon expanding the fragmented multiclass state, as this is the archetype which Brazil predominantly falls. This section will then briefly touch on the other two ideal types, neopatrimonial and cohesive capitalist states. Kohli (2004:12) maintains that fragmented multiclass and cohesive capitalist states are ideal types, and no state exists as one or the other in its pure form, but rather states go through periods of development with varying degrees of these states.

Figure 1: State Spectrum as Outlined by Kohli

Neopatrimonial   Fragmented Multiclass   Cohesive Capitalist
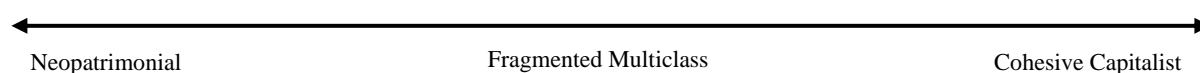
2.2.1 Neopatrimonial States

Kohli (2004:9) begins with the examination of the 'weaker' state. Despite the illusion of a modern state, public office holders tend to use public resources for their own private gain. Evans (1989:569-570), uses what was Zaire, now the DRC, as an example. He discusses that despite the enormous revenue being generated from the immense amount of mineral resources, those in office are reaping the benefits while society has become 'prey'. Neopatrimonial states, whether characterised by nominal democracy or a dictatorship, often lead to disaster, as the public goals and state capacity are directed at personal interest (Kohli, 2004:9). Evans (1989:571) further adds that the state is characterised by personal/despotic rule which along

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[5] Peter Evans (1989) makes a similar distinction, using the concepts of Predatory, Intermediate and Developmental states.

with high levels of corruption at the top levels, reduces the capacity and creates an ineffective lower-level bureaucracy, diminishing the reach of the state.

2.2.2 Cohesive Capitalist States

On the opposite side of the Kohli's spectrum lies cohesive capitalist states (Kohli, 2004:13), alternately known as developmental states (Evans, 1989:571). The characteristic that defines these states is political cohesiveness, and centralised authority structures which have the ability to penetrate deep into society, due to an exceptionally effective bureaucracy. The primary pursuit of the state is rapid economic growth, carving out strong ties with salient economic groups in society and tight control over labour, which in turn allows for easier access to disciplined labour for private investors (Kohli, 2004:13).

Unlike neopatrimonial states, which are plagued by an ineffective bureaucracy, the cohesive capitalist state boasts an exceedingly competent one. However due to the fact that there are links between the state elite and salient economic groups in society, these states are often characterised by repressive or authoritative politics (Kohli, 2004:10-13). In a cohesive capitalist state, the supply of capital is sometimes boosted by superior tax collection as well as public investment. Publicly controlled banks are issued orders to direct credit to specific private firms and sectors, while at other times allowing inflation to shift resources from both agriculture and urban labour to private industries. Despite modern Brazil being characterised as a fragmented multiclass state (as will be seen in the next chapter), through its most recent dictatorship (1964-1985), Brazil was characterised by a cohesive capitalist state (Kohli, 2004:10). Evans (1989:572) argues that these states are by no means 'paragons of virtue', since there are phases of development when they become more predatory in nature.

2.2.3 Fragmented Multiclass State

While neopatrimonial states for all intents and purposes cannot be called functional modern states, fragmented multiclass states can be, as they command some level of authority. At the same time, a well-established public arena exists allowing for leaders to be held accountable for their actions. In contrast to cohesive capitalist states, authority in the state tends to be fragmented with class interests interfering, disabling their ability to have narrow state goals and implement them effectively (Kohli, 2004:11). Evans (2004:581) maintains that these states do not dominate their societies to the degree that neopatrimonial states do, but they neither can construct efficient strategies to set or achieve state goals for development or much else; in some

cases however, they slide between neopatrimonial and cohesive capitalist. Support for leaders becomes a bigger concern than in neopatrimonial or cohesive capitalist states, whereas the pursuit of multiple goals to accommodate multiple constituencies is most often the case in fragmented multiclass states. For example in a state that wants to focus on industrialisation, it must also deal with demand for welfare and maintaining national security and sovereignty (Kohli, 2004:11). Monetary and fiscal policies seldom reflect consistent growth commitment, but rather fluctuate with political cycles. This is quite evident in the years following Brazil's dictatorship. Powerful interest groups which grow out of domestic development and protectionism, could inherently put pressure on the state as it is not as strong as a cohesive capitalist state (Kohli, 2004:15).

The mixed political goals prove problematic for a number of reasons, where limited tax extraction capacity and various public spending priorities limit the state to pursue specific interests (Kohli, 2004:14). Fragmented multiclass states represent a more realistic or normal state, where economic and policy strategies represent the logic of politics and economics unlike the other two extreme versions. As discussed above, multiple goals need to be pursued in order to satisfy different portions of the population. However, in terms of policy formulation and implementation, it is a highly politicised process, which occurs either as a result of intra-elite conflict, or because the reach of state is limited insofar that it cannot penetrate deep enough into the lower echelons of society (Kohli, 2004:14-15).

While Kohli in a more general fashion refers to a lack of bureaucratic capacity, Evans (1989:577) examines it as a focal point when referring to fragmented multiclass states. He explains that in fragmented multiclass states, using Brazil as an example, the bureaucratic apparatus is fragmented or divided due to the state's strategy of adding bureaucratic departments instead of institutional reform, creating an incongruent bureaucratic machine. The level of bureaucratic capacity is significantly lower in these states, whilst simultaneously, the demands made are significantly higher, where these state types face greater social complexity (Evans, 1989:581). In addition, fragmented multiclass states often become obsessed with legitimacy when opposition presents itself, resulting in the making of promises more than it is capable of delivering (Kohli, 2004: 11). Again it is important to note, as Kohli mentions, no modern state fits this type one hundred percent, as this is an ideal type where modern states vary from this to a more or lesser degree. A statement made in Kohli's examination of these states stands out. In a cohesive capitalist state, the state has the ability to penetrate deep into

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society, whilst for fragmented multiclass states, it is difficult for the state to penetrate the lower echelons of society, but Kohli does not elaborate on this. For a further examination of this idea, Michael Mann's discussion of this idea as infrastructural power is considered.

2.3 The Reach or Power of the State

Power in politics is often examined on a macro-level, examining interactions between nation states, using concepts such as soft power, diffuse power, or hard power. Power, for the purpose of this study, will examine the concept on a meso-level, city level focus. Nettl (1968:563) argues that in order for the study of the state to be relevant or meaningful, beyond what we conceive merely as government, the state should be removed from and even wholly opposed to personal power or as Mann (1984) calls it, despotic power. Mann (1984:188) argues that there are two types of state power, *despotic* and *infrastructural*. Despotic power stems from the decision-making of individuals as opposed to an accountable state apparatus, which would be characterised by infrastructural power. States which are governed by despotic power would include the old monarchs or state elites, individuals that can take a range of actions without routine, and institutionalised negotiations with civil society. Mann (2008:355) further adds in his later work that many instances of strong despotic power led to weak infrastructural power, as can be seen in Kohli's neopatrimonial state, which is characterised by personal rule. Infrastructural power would stem from a state apparatus that has a variety of entities which can help enforce rule of law and regulate society within its territory.

As monarchs are no longer relevant, but state elites still are, a more modern examination of state power is infrastructural power, or as Nettl (1968:563) deems it, institutional power. For the purpose of this thesis however, For the purpose of this thesis Mann's term of infrastructural power and definition will be used. '*Infrastructural power is then defined as the ability of the state to penetrate society and implement political decisions throughout its territory'* (Mann, 1984:189). Mann draws his conception of the state from the Weber school of thought, focusing on the state as the primary unit of analysis (Soifer & vom Hau, 2008:223). Taylor (2013:135) expands on the point of despotic power, whereby a reliance on despotic power in the modern era means that a state cannot draw its attention to the relations and struggles of civil society. A state with greater infrastructural power can be seen as Kohli's cohesive capitalist state; however, while its reach may be immense, its consultation with civil society is limited.

Through the use of despotic power to maintain authority and control over territory, the state creates opposition. This occurs due to the reach of despotic power being limited, which can de-centre the state leading to state failure. Yashar (2006:5-6) while examining Latin America, examines the states 'reach', which is defined by its ability to truly penetrate society, as well as its capacity to govern over its territory. While the state may have the monopoly of force, there are areas in Latin America specifically where there is virtually no government presence, which is a consequence of weak and incapable institutions. Soifer & vom Hau (2008:223), building on Mann's (1984) work, further examine infrastructural power, where it is the ability of the state 'to exercise control and implement policy decisions within its given territory'. As an example, states with weak infrastructural power would not be able to carry out a national census.

Mann (2008:356) states that in modern times, despotic power has become increasingly a non-issue, while infrastructural power has increased. Most developed states can only rule with the consent of the representatives of people or strong forces in society. However not all states in the 21st century follow this. Taylor (2013:134) uses Mann's work in the context of state failure, and describes state failure as fragmented despotic *and* infrastructural power, thus 'power' is divided into competing entities. Elites employ despotic power to establish their dominance over territory, but dominance is neither centralised nor extensive. He further expands upon this point by stating that 'low levels of intensive, authoritative and diffuse power means heavy reliance on despotic power to extract a surplus' (Taylor, 2013:134), which naturally limits the ability of the state to extract from society as well as their ability impose policy.

Centeno (2002:10) argues that Latin American states, in general, are despotic, in the sense that state elites can make decisions without much routine negotiation with civil society. However, Latin American states are weak in terms of infrastructural power, because their ability to implement policy decisions is poor. The examination of state power maintains that while a state has the sole claim to power, whether it has the ability to do so depends on its infrastructural power. As with monopoly of force, infrastructural power is desired by states. But again, following Taylor's (2013) comment on Weber, this begs the question: does the state have the capability or capacity to wield infrastructural power?

2.4 State Capacity

The concept of state capacity or capabilities is a multi-dimensional concept, being used in a variety of disciplines. This section examines the salient components of capabilities and capacity identified in the literature, which allows for the creation of a conceptualisation of each in order to understand what is meant by capacity and capabilities[6] when examining the case of Brazil. While the original concept of state capacity was coined by historical sociologists in reference to the state's ability to raise revenue (Besley & Persson, 2010:1), it has fallen into what many social science concepts have experienced, no universally agreed upon conceptualisation. State capacity has since been used predominantly in Political Science, Sociology and as of recently Economics. In this light one can see its use in different contexts exacerbates its inability to have a universally agreed upon conceptualisation (Cárdenas, 2010:3). Hendrix (2010:273) argues this point stating that 'state capacity remains a concept in search of precise definition and measurement'. The lack of a clear definition stems from the variety of contexts in which it is used, whether it be for conflict studies as with Hendrix (2010), regime stability as with Andersen, Møller, Røbæk & Skaaning (2014) or from an economic standpoint as outlined by Cárdenas (2010), to name a few. While some authors such as Hendrix and Cárdenas break down state capacity into different dimensions without one singular definition, there are some authors who argue differently. Hanson & Sigman (2013:1-3) for example, argue that a definition should be provided, but should be kept as minimalist as possible for conceptual and operational reasons, whilst still requiring that its dimensions be explained.

Hendrix (2010:274) examines three types of state capacity, namely, military capacity, bureaucratic/administrative capacity and the quality and coherence of political institutions. Grindle (1996:8) however, deviating slightly, focuses on state capacity as being made up of four elements – institutional, technical, administrative and political capacity. There are however, scholars, who simply conceptualise state capacity in one dimension, which encompasses various aspects. Andersen et al (2014:1306) define state capacity in a similar fashion to Mann's infrastructural power, that being 'capacities to penetrate society, regulate relations, extract resources, and appropriate or use resources in determined way' (2014:1306).

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[6] A primary theorist, Joel Migdal, used in the later part of this chapter utilises capabilities, but due to the literature on state capacity and the purpose of this thesis, capacity is used as a core concept.

Migdal (1988:4-5) also provides a single definition that state capacity, or as he terms it, state capabilities, can be viewed as the *capability of the state to penetrate society, regulate social relationships, extract resources, and appropriate or use resources in a determined way*. He elaborates in saying that strong states have high capabilities to complete these tasks, while weak states are on the lower end of these capabilities. As stated above, Hanson & Sigman (2013:4) found that a minimalistic conceptualisation of state capacity was most beneficial. They define it as, 'the ability of state institutions to effectively implement official goals', does the state have the necessary resources/means in order to set out and achieve goals? Migdal's definition is used as an overall definition as his work features prominently in this framework. However, for the purpose of this thesis, the analytical framework will draw on fiscal, bureaucratic, and coercive capacity as the basis for conceptualising state capacity.

2.4.1 Fiscal Capacity

Cárdenas's (2010:3) defines fiscal capacity as the ability to generate revenue from society, where Hanson & Sigman (2013:3) examine fiscal capacity as a state's extractive capacity. Extractive capacity can be thought of as the state's ability to raise revenue, or rather extract revenue, where they consider this as the foundation of the state's ability to carry out other important services. It can also be seen as the 'state's capacity to mobilize and extract financial resources is the core of the state's capacity and the foundation for the state's ability to realize [*sic*] its other capabilities' where, as the fiscal capacity increases, so then do the others (State Capacity[7], 1995:30-31). Besley & Persson (2009:1219) argue state capacity in fiscal terms only, which they view as a state's ability to obtain tax revenue as well as market development as indicators of state capacity. Besley & Person (2010:1) and (State Capacity, 1995:31) argue that weak or fragile states tend to have poor fiscal capacity are unable to maintain economic functions and are thus unable to provide salient services to the general public. While authors have brought forward many areas of state capacity, in reality fiscal capacity is the most salient as they rest would not exist without it. For the purpose of this study, the concept of *fiscal capacity* is defined as *the state's ability to raise revenue and economic prosperity such as GDP growth, inflation rates and monetary policies*.

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[7] No author was available for the journal article titled 'State Capacity', as the title replaces the authors name as outlined by Harvard Referencing.

2.4.2 Bureaucratic Capacity

Bureaucratic and administrative capacity is the professionalization of the state bureaucracy and its ability to provide legal protection (Cárdenas, 2010:3), obtain taxes from its citizens, collect and manage information, maintain fiscal responsibility, and uphold the rule of law (Hendrix, 2010:274). There is a blending between fiscal and administrative capacity by some authors. Hendrix (2010:275), using Weber, states that politics cannot only be the monopoly of the legitimate use of force, but also using the monopoly of force to create a rational legal structure organised in a bureaucratic fashion which must be capable of developing and picking apart information to use for the benefit of the state. Hanson & Sigman (2013:4) also examine administrative capacity, where it is the ability to develop policy, produce and deliver public goods and services as well as the ability to regulate commercial activity. They argue that policy administration requires 'technical competence, trusted and professional state agents, monitoring and coordination mechanism, and effective reach across the state's territory and social groupings'.

Something that seems to fall between fiscal and administrative capacity is State Capacity's (1994:30) notion of 'steering' capacity, which is the ability of the state to utilise its fiscal capacity to provide adequate resource allocation, increase economic development, and stabilise the economy. This ties into the discussion below, whereby a state – once fiscal capacity has been achieved – is able to utilise its resources in order to promote the other capacity areas. For the purpose of this study however, the term *bureaucratic capacity* is used*, where it describes *the technical competence and professional nature of the state to utilise its resources, or fiscal capacity, in an effective manner in order to implement policy.*

2.4.3 Coercive Capacity

Coercive or Military capacity is often the term used to describe the ability of the state to repel challenges of authority with force, where here Weber's definition of the state is often used, specifically with regard to having the monopoly of the legitimate use of force (Hendrix, 2010:274). Cárdenas (2010:3) further adds that military capacity represents the state's ability to overcome rebellious actions against its authority with force. Fearon & Laitin (2003:80) however state that military capacity to repel actions against its authority requires a well-financed, organised, uncorrupted and politically-whole state, where military capacity does not stand alone. Fiscal capacity is important to a state's military capacity as it is largely a reflection of the state's ability to collect taxes in order to afford its military capability (Cárdenas, 2010:3).

As with fiscal capacity, coercive capacity is core to a state's functionality (Hanson & Sigman, 2013:4) which can be linked to Rotberg's argument of the saliency of security (as will be discussed below).

Hanson & Sigman (2013:4) explain that while these types of capacities exist, they do so not in isolation from one another, where, for example, high functioning fiscal and coercive capacities will allow for a greater bureaucratic capacity. Furthermore, the bureaucratic capacity will allow the state to have a greater reach into society to enforce its military capacity when necessary, such as in rural areas (Fearon & Laitin, 2003:80). It is because of the interrelatedness of the dimensions of state capacity that, as a concept, it is difficult to disentangle and define (Hanson & Sigman, 2013:5). For the purpose of this study, coercive capacity is broken up into two dimensions. One, *it is the actual presence of a coercive force by the state, such as a standing army and police force that exists on a scale large enough to enforce state authority in conjunction with its bureaucratic capacity*. Second, *it is the effectiveness of these coercive forces, how competent are these entities to create the desired control and implementation of state power*. No authors outside of DiGiuseppe, Barry, & Frank (2012) have explored state capacity indicators and state conflict in-depth, where their work found increased levels of capacity gaps when conflict occurred within a state.

2.4.4 Conflict and State Capacity

DiGiuseppe, Barry, & Frank (2012: 391) examine the link of state capacity - or rather the lack thereof – and internal conflict. They argue that the stronger the capacity of the state, (thus the more resources available to them), the more likely the state can repel any challenges, whether it be political or other. Domestic conflict or rebellion against the state can be found more likely where there are capacity and structural holes within the state (Fearon & Laitin, 2003:88). DiGiuseppe, Barry, & Frank (2012: 392) further add that this gap means that there is less likelihood of effectively deterring or countering violence – a challenge to the state monopoly of the use of force. As stated above, the fiscal capacity of the state is an important base for the rest of its capabilities, where DiGiuseppe, Barry, & Frank (2012:392) found that GDPpc[8] (GDP per capita) was a salient indicator of the state's financial and administrative resources and capabilities. In cases of low levels of GDPpc, there tends to be a void for the state's ability to

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[8] GDPpc is Gross Domestic Product per Capita, which is the measure of a country's economic output that accounts for its population size, where it divides the total gross domestic product with its total population.

counter any threat it may receive. Furthermore, states were found to have increased levels of armed conflict and rebellions; this further highlights the need for a strong fiscal capacity.

Strong state fiscal capacity, which, in turn, is the ability of the state to fund a strong bureaucracy and coercive capabilities, leads to strong infrastructural power, thus leading to its efficacy in implementing policies into the lower and peripheral sections of society. The type of state, its infrastructural power, and capacity are all factors that indicate to what degree it has the ability to function and grow effectively. However, what happens when a state does not function and grow effectively? Robert Rotberg's work on state strength explores this by examining the dimensions of state strength on a spectrum and what the consequences are when a state does not have the necessary functionality to thrive.

2.5 The State and Strength

The purpose for the examination of state strength is to demonstrate the varying degree of characteristics that states exhibit depending on their capacity to provide for its citizenry, grow its economy, and contain or dispel any threats. While there are a number of conceptualisations of state failure/state strength, Robert Rotberg's analysis is the most comprehensive and accepted. In all the discussions of the concept of a failed state or the strength of a state, there is a lack of ability or drive to run the country effectively, which ties into the realm of state capacity. If a state does not have the capacity to provide the most basic of services to its citizens, how does the state fare in the long run? Since the 1990s, states that have been seen to be lacking in their capacity to provide normal functionality and push forward development have been considered 'fragile states' (Osaghae, 2007:691). A nation state fails when a government loses legitimacy in the eyes of its citizens, when it no longer provides positive political goods to its citizens due to internal violence (Rotberg, 2003:1). Patrick & Rice (2008:5) use the term 'weak' to describe a state that is unable or unwilling to provide vital services, thus hampering economic growth, limiting security capacity and legitimacy.

Englehart (2009:165) posits that state weakness and failure occurs as a results of an inability to provide goods for citizens – where citizens often suffer from ethnic tensions, corruption, uneven development, civil war, and violence. This form of state weakness encourages the formation of non-state armed groups, which is commonly followed by human rights violations.

Wolf (2011:5) found the salient features of a state failure, weakness, collapse or fragility as loss of territorial control, political instability, conflict, repressive polity and limited state governance capacity. Dorff (2005:22), Wolf (2011:4) and Crocker (2003:34) argue that failed states are not merely an outcome, but rather a gradual process in which states exist along a continuum. Wolf (2011:4) uses Rotberg's work within failed states to explain that this continuum falls into four broad categories, namely weak, failing, failed, and collapsed states. Robert Rotberg's book, *When States Fail: Causes and Consequences* (2003:2) became a benchmark for the characteristics of state failure. While Rotberg's continuum examines four broad categories, his actual analysis focuses on weak, failed, and collapsed states, providing minimal details on failing states, referring to them as merely a combination of weak and failed.

Rotberg (2003:2), before delving into weak, failing, failed, and collapsed states, first explores what a *'*strong state*'* encompasses. He defines a strong state as one that provides a decentralised method of delivering public goods to persons living within its border. Compared to the old monarchs, the state does in some regard abide by the citizenry. They tend to organise and channel interests of their people, often (although not exclusively) in the pursuit of national interest. Rotberg (2003:2) argues that there is a hierarchy of political goods that strong states should provide for its citizens, but none of which are more salient than security. Once security and a strong authority has been established, a variety of other political goods can be provided. Security encompasses the state's ability to prevent cross border invasions or loss of territory; eliminate domestic threats or attacks upon the national order or society; and prevent crime and related dangers to human security. Weak states, on the other hand, can be considered a mixed sort, where they fulfil some expectations put upon them, whilst failing at others. For the purpose of this study, only two aspects of Rotberg's state failure continuum will be examined, specifically *weak*, and *failed* states. Brazil cannot by any means be considered a collapsed state. That being said, while *all* aspects of weak and failed might not apply to the current case study, there are overlapping characteristics from each category that do.

Rotberg (2003:4) argues that *weak* states can be considered strong in many ways, but are however, temporarily weak, due to management flaws, internal antagonisms, external threat, or a combination of these. He adds that weak states cover a broad spectrum, and that they are inherently weak due to geographical, physical, or basic economic constraints. Weak states generally contain ethnic, religious, or linguistic tensions, however it has yet to turn violent, and urban crime tends to be higher. Furthermore, there tends to be a deterioration in infrastructure,

where outside of city centres, schools and hospitals show signs of neglect. From an economic standpoint, GDPpc as well as other economic indicators such as inflation or interest rates tend to be poor, as well as levels of corruption which go relatively unchecked. Weak states tend to harass civil society and tend to be led by more despotic-natured governments, elected or not. Rotberg (2003:5) however notes that autocratic states, which have tight controls over society and are secure (and thus could in some cases be considered strong), provide little political goods, therefore being classified as weak.

Failed states paint a far more sombre picture than weak states, with failed states being characterised by tension, deep confliction, and face contention by various factions. Government security structures often engage against armed groups, having to engage with widespread civil unrest, communal discontent, and dissent directed at the state and its organisations (Rotberg, 2003:5). State failure does not occur without disharmony among communities, based off of high levels of inequality, ethnic, religious or linguistic tension that has turned violent. Failed states often lose control over their borders. State power is limited to specific section of the country; thus a way to examine this is to explore to what extent, geographically, the government has a presence (Rotberg, 2003:5).

Rotberg describes security as the fundamental foundation for political goods. Failed states are unable to create an atmosphere of national security, often struggling for power against rebel groups or armed actors which threatens the safety and security of its citizens as well as demoralising government agencies. Criminal violence is another key indicator, as even the state resorts to criminal behaviour themselves to combat crime. Criminal gangs and urban violence are prominent, with drugs and arms trafficking being common occurrences, and traditional police structures unable to contain the increase in criminal activities (Rotberg, 2003:5).

Declining or low GDP, as well as poor economic policies are also indicators of state failure. Often created by despotic rulers, this economic insecurity allows for the increase of the informal market as well as smuggling, which further reduces economic stability. Corruption has escalated to destructive levels, further decreasing economic stability in the country. As security and economic stability is decreased, communities no longer rely on the state to provide goods. As this continues, they often turn to non-state actors such as criminal, or community groups (the latter being a more positive situation) who provide basic services, thus turning allegiance from the state to these actors (Rotberg, 2003:8-9). This is the key point of departure

and reasoning for examining O'Donnell's work on brown areas and Joel Migdal's model on state societal relations. Up to this point the literature has explored state types and functionality. Firstly, what a state needs in order hold power in terms provision and secondly, what happens when a state does not perform its function correctly. However what is not discussed in depth is what happens, specifically with regard to its citizens and their loyalty to the state, when the state does not provide enough resources, thus creating a capacity gap or void. While Rotberg touches on it briefly, Joel Migdal and Guillermo O'Donnell fill this conceptual gap. They provide an in-depth examination into state predominance and survival strategies of citizens, as well as the creation of alternative political systems within geographical areas where the state has little penetrative ability.

2.6 Joel Migdal and Guillermo O'Donnell: State Predominance and Brown Areas

2.6.1 The State and Predominance

Since the conception of the state system between the fifteenth and seventeenth century, it has become a common place that the state should provide the predominant rules of the game that society follows. Beyond constitutional rules, the rules of the game can be written or unwritten through decrees or laws in which state actors indicate they are willing to implement through coercive means. These rules can range from stopping at a traffic light to taxes, as well as property rights, with boundaries being set as acceptable behaviour for citizens (Migdal, 1988:14).

In modern society, political leaders strive or have obtained this predominance, where the state's ability to remove opposition that inhibits this drive varies from state to state. This ability for predominance allows for varying degrees of social control. Migdal outlines the drive for predominance in four areas. First, leaders aim to hold the monopoly of coercion in society, maintaining control over its police force and armed forces, while removing non-state armed actors such as militias and gangs (Migdal, 1988:18). Secondly, through state autonomy, from domestic and foreign actors, the state can act according to its own preferences, which circumvent those of strong societal actors. Thirdly, state leaders strive for differentiation of its components, whereby the state is comprised of organs that take on specialised roles and complex tasks of governing society. Finally, these components are created to be coordinated 'allowing a coherence of the parts of the state and shared purposes by those working in the various agencies' (Migdal, 1988:19).

Migdal utilises Weber's ideal type conceptualisation of the state.

> The state is an organisation, composed of numerous agencies led and coordinated by the state's leadership (executive authority) that has the ability or authority to make and implement the binding rules for all the people as well as the parameters of rule making [*sic*] for other social organizations in a given territory, using force if necessary to have its way (Migdal, 1988:19).

Social control by the state requires successful subordination of people's own direction of social behaviour (the behaviour they deem acceptable for themselves) or behaviour sought by other social organisations. Migdal utilises Mann's (1984) concept of infrastructural power, arguing that state capacity increases as social control increases. As the states social control increases, it can mobilise the population to serve in, and financially support a standing army, or into other state institutions, which in turn creates new ability for the state to exert control (Migdal, 1988:23). The state, however, requires a strong capacity in order to provide greater survival strategies and deter opposition on its road to predominance, thus social control and capacity need to work in tandem, where one increases the other.

2.6.2 Incentives and Survival Strategies

Migdal (1988:25) argues that to examine incentives allows for a greater understanding of how the rules of the game are created *and* maintained. He argues that society is comprised of a range of groups, tribes, communities or clubs, which utilise a multitude of symbols, sanctions, and rewards to induce people to behave according to their rules and regulations. The poor, workers, or those that are considered vulnerable, tend to be increasingly sensitive to what the social organisations they interact with prescribe as behavioural norms. These organisations usually have the ability to deny or supply individuals a livelihood by provision of goods or security (Migdal, 1988:26). People within society combine symbols with opportunities to create a strategy of survival to meet their basic needs such as food and housing. People are however, constrained in their choice of survival strategy, such as the resources they have available, where they are limited by who controls the resources. Social control is determined by the provision of these resources, thus providing people with survival strategies (Migdal, 1988:27).

2.6.3 Brown Areas

O'Donnell's work on brown areas has been utilised by a variety of key authors such as Leeds (1996) and Arias (2006) in their work on organised crime and governance in Brazil. O'Donnell

puts forward the question 'what happens when the effectiveness of the law extends very irregularly (if it does not disappear altogether) across the territory and the functional relations (including class, ethnic, and gender relations) it supposedly regulates? What kind of state (and society) is this?' In this type of situation, (specifically states with new-found democracy) an ineffective state coexists with territorially based autonomous spheres of power, where within these systems the state is unable to regulate social life across these territories (O'Donnell, 1993:6).

Districts that exist on the periphery are usually the most affected by economic woes and already ineffective state bureaucracies, which in turn only strengthen the presence of these alternative political systems. As the strength of these autonomous spheres of power grow, so does the violent and personalized dimension of their rule. As state rule of law – or rather the rules of the game – begin to diminish, often violent and arbitrary practices are engaged in these areas. However it is not to say that the state merely accepts this, as often these areas suffer an increase in crime and violence, and the state is forced to intervene, often heavy-handedly (O'Donnell, 1993:6). The police interventions into these territories are often accompanied by torture, summary executions, and the targeting and stigmatisation of poorer areas, something which is well-documented in the case of Brazil and favela residents. These areas are also characterised by urban decay, poor infrastructure, drug trafficking as well as the diminishment of public areas, which they are often taken over by criminals or private authorities (O'Donnell, 1993:6-7).

2.6.4 The State, Rule of Law and Power Structures

Coming out of an authoritarian regime, specifically in Latin America, severe socioeconomic crises usually follows and generally increase the prevalence of brown areas. The spread or prominence of these areas does not derive purely from the income inequality and criminality that accompanies a severe socioeconomic-economic crisis, but also from within the state itself. The state must try establishing itself as an effective legal authority and set of functional bureaucratic systems, a legitimised agent in the pursuit of common interest. The state must diminish costs, reduce the bloat of the state bureaucracy, and deal with fiscal deficit (O'Donnell 1993:13), all of which hamper the state's ability to streamline policy outside of its attempt to hold legitimacy in a new democracy. Trade unions and tenure often make this process sluggish or impossible, and one can see the link between this context and a fragmented multiclass state as described by Kohli. With an ineffective bureaucracy outlined in a fragmented multiclass state, as well as the state's need to find support but also maintain economic growth, its

penetrative ability is reduced by having a government trying to achieve everything at once to stay in power but accomplishing little in the process.

Within these areas the idea of state predominance diminishes, as often the rule of law that is characterised within these areas is often against or even antagonistic to state rules and legal structures. It is not to say that these regions have no state organisations, but the deterioration of legality that is enforced by these agencies deprives the power the state can exert (O'Donnell, 1993:7). The type of power structures within these areas is characterised by clientelism, personalistic relationships, and familism, with a limited interest outside of securing their power. The success or maintenance of their power exists only through an exchange of favours with state agencies; this in turn fragments state agencies, specifically its bureaucratic system. A state's ability to resolve these brown areas in the long term is reduced. The more entrenched the private spheres of authority become within the state itself, albeit not openly so (O'Donnell, 1993:8).

As his work focused on newly-found democracies, O'Donnell (1993:10) emphasized the type of democracy is often characterised by a 'schizophrenic state', one which mixes functionality and territory, as well as democratic and authoritarian measures. This idea is crucial in the examination of Brazil, due to the focus of this thesis on state capacity after the dictatorship (1964-1985) and its democratic journey thereafter (1985 onwards). O'Donnell expressed that citizens have democratic opportunities, such as voting rights, which are upheld to a degree,

> But peasants, slum-dwellers, Indians, women, et al., are often unable to get fair treatment in the Courts, *or¸* to obtain from state agencies services to which they are entitled, or to be safe from police violence – and a long etc (O'Donnell, 1993:11).

Therefore, while citizens' democratic rights are upheld, the liberal component of democracy is not. While O'Donnell examines these areas, he does not reflect upon the inner workings of society. Migdal expands heavily on this, and thus the next section briefly examines his ideas.

2.6.5 Heterogenous Society

Migdal (1988:28) argues that macro models such as world systems theory and centre-periphery examine state and society as dichotomous in nature, with society being one homogenous group. Migdal disagrees with this premise, stating that society can be heterogeneous in nature along

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with the rules they apply. Social control is distributed among numerous autonomous groups rather than purely concentrated in the state, where social control may be high. It is, however, fragmented, as the state, in terms of this control, is one actor among many. These organisations such as the state, villages, gangs, institutions of social classes, or any other groups that attempt to enforce their own rules of the game, create survival strategies. Whether or not people follow it depends on the strategies individuals have pieced together from material incentives or coercive measures by these organisations.

In some instances, in order to accomplish predominance against resistance from other social groupings, states have adopted totalitarian characteristics to enforce nearly all rules in society or in a liberal democratic scenario, thereby delegating some of the state's authority to other organisations such as churches or the market (Migdal, 1988:29). In situations where totalitarianism or liberal democracies have failed, there are societies that face constant conflict between societal organisations for predominance. Individuals must choose the most beneficial survival strategy from among the various groups though incentives or coercive means. As more individuals choose one group over another, said group gains social currency and thus increased social control. Migdal outlines three indicators of social control, or as he states it, 'currency', where each level provides a stronger indicator of social control, with compliance being the minimum and legitimation being the optimal (Migdal, 1988:29-30).

2.6.6 Migdal's Three Indicators of Social Control
Compliance:
The most rudimentary level of social control, 'compliance often comes with the use of the most basic sanctions, force' (Migdal, 1988:32). For example the distribution of social control depends significantly on who owns the police force or armed forces. The control and dispersal of other resources rests on the amount of compliance a state can demand from society (Migdal, 1988:32). A prime example of this would be police officials, where the allegiance does not belong to the state but rather to other actors within society for a variety of reasons, limiting the amount of compliance the state can enforce.

In 2011 for example, in Mexico City it was uncovered that 424 police officials from various departments were linked to an organised crime group. This led to undermining investigations and drug enforcement, allowing for easier operations and less police interference, in turn promoting the illicit economy (Luhnow, 2011). As a result, the organisation could expand

operations, limit the trust placed in the state and police. In an alternate situation, police officials are allied solely to the state and can enforce compliance for the state as opposed to other groups.

Participation:

Compliance is not all that state leaders strive for, as participation is the next level of social currency a group can acquire. Participation allows for utilising the population for institutional tasks in order to strengthen the state or group organisation; expanding and using state or group agencies to provide a larger degree of social control in contrast to other groups (Migdal, 1988:32). In 2017 Columbians took to the streets to protest the rampant corruption that was taking place at all levels of the state. The state's employment of officials did by no means help entrench the state or expand its power, but rather it help Odebrecht Engineering (a Brazilian construction company) to solidify the project in Columbia through large bribes. Here, participation was negated, where officials who were offered an improved survival strategy chose to entrench the power of another group rather than the state, undermining the state and its ability to increase social control (Diaz, 2017). In an alternate scenario, state officials promote state entities and utilise employment for greater fiscal expansion for the state which would in turn allow for greater survival strategies leading to greater social control.

Legitimation:

Legitimation, or rather, '…an acceptance, even approbation, of the state's rules of the game, its social control as true and right' (Migdal, 1988:32-33), is the most imperative factor in accounting for the control and predominance of the state. Legitimacy is the acceptance of the state's configuration of rules as being the only possible law to follow, and not because one is coerced or incentivised to. Compliance and participation are created and maintained through rewards and sanctions currently present. However, legitimacy indicates approval and acceptance of the state's order rather than just following them due to rewards and sanctions (Migdal, 1988:32-33). The struggle for predominance often comes from third world countries, where democratic systems have yet to become sustainable and the state requires a longer time to increase capacities. Because of this, full legitimation will take time. Thus one can argue you would see legitimation in first world countries such as Sweden or the Netherlands. It can be assumed that the general population will comply with rules not because they are being rewarded directly, but merely because they accept the state as the sole authority to which they subscribe in terms of rules and regulations. That is not to say that there are not groups who try to challenge it, but because citizens do not need to look far for survival strategies (as the state

has had a long history of providing for its citizens), there is no need to examine the other options if presented (Migdal, 1988:32-33).

In an environment of conflict, this currency is a representation of a state's strength. Simultaneously, however, it is also a representation of strength of other groups, whose leaders, (Migdal refers to them as strongmen), use the same currency in order to dictate their own rules of the game (Migdal, 1988:33).

2.6.7 The Strongmen

Grynkewich (2008:353) examines the use of the provision of welfare by groups outside of the state, specifically from a non-state armed actor perspective. He contends that in the situation where the state cannot provide the necessary means of survival to its citizens, another actor does. By doing this, there are three distinct benefits that these groups achieve. First, the provision of services clearly demonstrates the state's lack of ability to provide a level of survival strategy, which undermines its legitimacy in the eyes of its citizens or specific groups. Second, this then provides an alternative for population groups to diverge their loyalty, and third, the more support the organisation garners from citizens, the greater the resource base it will obtain. Which can be used to either expand operations – or, depending on its goals – fight the state. The incapacity or capacity of the state rests significantly on the make-up of society. States that have felt resistance to predominance, have encountered what Migdal describes as 'strongmen': clan leaders, landlords, bosses, chiefs. In the present study's case, the focus is on gang bosses and militias. In countries where the state has faced difficulty in obtaining predominance, there tends to be conflict between structures in society on how social life should be constructed or ordered (Migdal, 1988:34).

Even in situations where the strongmen have significant sway over society, the state should not be underestimated. In many countries the state is still the primary organisation of predominance, having the ability to dictate the lives of the people according to their own rules of the game, despite the presence of strongmen or other organisations that try to do the same (Migdal, 1988:34). While the state may still have a presence, there are situations where the state is unable to intervene due to the strength of the 'strongmen', as will be explored in the case of Brazil. A prime example of this is Jalisco in Mexico, once a bustling town, now observes scenes of daily homicides. As the demand for heroin increased in the United States,

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so did the increase of fiscal capabilities of the *Jalisco Nueva Generacíon*, one of the largest cartels in Mexico. The state has very little presence due to the overwhelming strength this organisation has in the town. In this example, coercive measures were used to maintain compliance - and even participation – from the town (Chavez & Kirkpatrick, 2017). The final component of this chapter outlines the framework which has been developed from the reviewed theories. Chapters Three, Four and Five will utilise this analytical framework as a tool to explore the context within which – as well as the reasons as to why – non-state armed actors grew to prominence in Rio de Janeiro, and why the state struggled to fight back.

2.6.8 Constructing a Framework

The developmental archetype in which a state falls will dictate the level of resources available to it, thus influence its capacity. The level of fiscal, bureaucratic and coercive capacity influences the nature of political goods and/or incentives it can provide to its citizenry as well as how much control it can exert over its territory. The level of control it can exert will determine the prevelance of brown areas present within the state's geographic territory as well as to what degree it can respond. The commentary below explores the model in the context of Brazil.

Whether or not a state falls under the cohesive capitalist (Brazil 1964-1985) or fragmented multiclass (Brazil 1985-present) archetype dictates whether it will have the developmental means to form a strong and effective bureaucracy, as well as a strong base for coercive capacity. This naturally is a result of the state's ability to make effective economic decisions in order to increase its fiscal capacity. The Brazilian dictatorship from 1964-1985, for example, was able to make technocratically driven economic decisions whilst leaving behind social development, allowing the state to create an effective bureaucracy and coercive capacity, thus increasing its reach into society. The post-authoritarian period (1985-present) in contrast could not, as it had to both mend the economy as well as ensure that it could solidify democratic support, garnering it through a variety of interest groups, something that the previous regime did not have to do. The capacity of development will naturally impact the ability of the state to provide resources to its citizens, such as employment, safety and security, infrastructure, health, and education, to name a few.

As capacity gaps begin to form within the fragmented multiclass state, the state begins to fall in terms of strength. Brazil, both during and after the dictatorship, by no account can be

considered failed, failing, or even wholly weak. Yet, as the gaps increased, it began to have characteristics of both a strong and weak state, with even elements of a failed state, specifically with the presence of non-state armed actors taking over favelas. As citizens in certain segments of society feel continuously unsafe, they turn to alternative sources of security and rule of law, increasing the power of the non-state armed groups. From here the state's monopoly of violence begins to diminish with these areas in which these groups operate, and in turn become brown areas.

The problem with the dictatorship and early post-1985 regime was that they neglected the lower echelons of society, specifically favela residents. It is in this regard that the work of O'Donnell and Migdal becomes increasingly relevant in this study. The creation of Brown Areas developed from the lack of capacity or choices by the state, allows for private spheres of power to appear and become more dominant within these areas. As the state loses grip on the implementation of the rule of law within a given territory, so does their predominance begin to decrease while the private sphere of power or strongmen increases. As these areas become increasingly harassed by the state in an attempt to reclaim it for its own, or as clientelist networks form between these private spheres of power and the state, the latter becomes less of a 'saviour' and more of a threat to a way of life. As this process continues, so does the growth in favour of the forces alternative to the state and with it the state's decline in social currency: compliance, participation and eventually legitimacy.

If this process continues, the state will no longer have presence in these areas at all. Even given the choice, residents in some cases will tend to choose the alternate sphere of power than the state. The current dominance of armed non-state actors across the favelas in Rio de Janeiro did not happen overnight. Rather it was a long term of process of erratic state presence, neglect, heavy-handed state interventions, and the provision of survival strategies by an alternative source of power in the context of severe capacity gaps. The diagram below serves as visual representation of the analytical framework as applied to the case study of Rio de Janeiro.

Figure 2: Framework

State Capacity Ideal Types

❖ Strong: Cohesive Capitalist *or* Strong Fragmented Multi-Class
❖ Limited: Fragmented Multi-Class
❖ Weak: Neopatrimonial

Concepts

❖ Private Spheres of Power: Traffickers/Militias
❖ Brown Areas: Areas Localised on the Periphery/Favelas
❖ Political Goods/Survival: Salient Political Goods as Outlined by Rotberg
  1. Human Security/Physical Security
  2. Infrastructure
  3. Education
  4. Health Care
  5. Economic Opportunities
  6. Routine Free and Fair Elections

Strong

❖ State has the ability to provide political good – does not translate into actual provision
❖ Rare distribution of Brown Areas
❖ Private spheres of power are unlikely to grow due to state penetration
❖ State can deter challenges to predominance effectively

State Capacity

●

Fiscal:Coercive:Bureaucratic

Limited

❖ State has the ability to provide political goods but on a limited scale – Does not always translate into actual provision
❖ Sporadic distribution of Brown Areas
❖ Private spheres of power have the ability to grow but the state is cognitive of their existence
❖ State attempts to manage challenges to predominance with varied results

Weak

❖ Inability of the state to provide political goods – even if resources are available it is unlikely to trickle down
❖ Large presence of Brown Areas
❖ Private spheres of power can grow somewhat unchecked
❖ State unable to manage challenges to predominance

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2.7 Conclusion

The type of state development has a striking influence on the type of fundamental services it can or is willing to provide. Cohesive capitalist states have a cohesive, centralised authority which has the ability to penetrate deep into society. Thus, if they have their will, they can increase the provision of services once the economic goals have been achieved. Fragmented multiclass states, however, boast a poor bureaucracy, and therefore its reach is often limited. As these states have to please multiple constituencies, it often cannot follow the most direct path to success. Its bureaucracy is also fragmented, limiting its infrastructural power, specifically the reach towards lower classes. Mann's work on infrastructural power addresses the limitations of a state with despotic power versus infrastructural power. Having the ability to implement policy and authority into the far reaches of a state's territory is attributed to strong infrastructural power, which also creates a stronger fiscal capacity. The interaction between fiscal, bureaucratic and coercive capacity will serve as the basis for the examination of Brazil's infrastructural power. As well as its ability to provide the level of survival strategies required to exert its control over society. As discussed above, neither capacity component operates in isolation, and ultimately each one complements the other to create an environment of strong infrastructural power.

The provision of political goods enables the state to run effectively, where the lack of a strong security environment in which to provide these goods can be detrimental to the state, specifically its predominance. A continued lack of provision of political goods, and thus increasing the trend of residents turning to other actors, only sends the state further into failure. There is a general consensus that fiscal capacity forms the basis of the state's ability to expand its other capacities, with every other area of capacity requiring a fiscal base to develop and thrive. As the state increases its capabilities, so too does its ability to obtain predominance over its territory. This in turn creates state capacity by utilising the population more. However, as pointed out by O'Donnell, when the state does not have the capacity to exert its influence within a given territory, alternate power structures begin to emerge. It is within these brown areas where Migdal's work becomes increasingly salient. As discussed, the lack of capacity invites opposition groups to emerge, as there is less likelihood of the state being able to deter the threat. Migdal focuses on the state's use of social control to increases its capacity. However social control and capacity need to work in tandem, as one cannot exist without the other. For the state to achieve predominance, it requires a strong capacity, in turn creating a strong control which can increase its capacity.

Citizens are faced with number of challenges in order to create a survival strategy. They must decide which group or organisation, the state included, provides the best possible way to ensure that they can live, or even prosper. The presence of strongmen can deter the state's progress for predominance, and change the survival strategies encountered by citizens, as seen in the example of Mexico.

Powerful groups that exist may also make use of force or violence, but because the state has the legitimate claim to it, groups other than the states use of force is therefore illegitimate. Weber also emphasises the claim to authority within a given territory, which means that the state's sovereignty and territory is based on its borders; thus, loss of border control can threaten both. However, in the context of state failure, loss of control of portions of territory within state boarders, which can in turn create safe havens for opposing groups, undermines the authority within its borders. This loss can have implications that undermine other state functions, but specifically it's coercive authority. But, despite the emphasis on territory, territorial break ups are rare, and therefore not applicable to most studies. Internal territory loss in terms of safe havens is however applicable to this study, specifically the favelas in Rio de Janeiro. As stronger survival strategies are offered by other groups within society, they begin to grow in power while the state's presence diminishes, at least amongst these groups. The origin of this process will be examined in the following chapter by exploring Brazil's military dictatorship, which has been argued to be a catalyst for the rise of non-state armed actors for years to come.

Chapter 3: The Bastard Child of the Dictatorship: Comando Vermelho, 1964 - 1985

3.1 Introduction

> From their perch inside a third-floor apartment, the gangsters deployed a frightening arsenal and displayed an audacity that no one would forget. Throughout the night, their leader shouted taunts at the cops below: 'come and get me you bastards! This is the Red Command…' This standoff lasted eleven hours; [*sic*] by the time a 12-gauge bullet left a gurgling hole in Zé Bigode's chest, three officers were dead and half a dozen injured. (Barbassa, 2015:20)

This audacious display took place in 1984, the likes of which Brazil had never seen. In 2018, The Red Command, or *Comando Vermelho,* still strike terror into the citizens of Rio de Janeiro. Setting buses alight – sometimes with residents inside – in order to counter government policies, making police payments as well as assassinations, and a criminal network which allows them a superior arsenal of weaponry over the state, even dictating which way favela residents vote. As noted in the previous chapter, Rotberg considers a failed or fully-blown weak state to be a salient environment for the growth of non-state armed actors. However, Brazil has never constituted either of the aforementioned. This raises the question: how did one group become so powerful and where did they originate? The purpose of this chapter is to examine the origins of a trafficker organisation which today remains one of Rio de Janeiro's main non-state armed actors. What economic and political conditions led to the creation of an organisation that so blatantly defied the state in 1984 and still continues today? The short answer can be found in Ben Penglase's (2008) article titled, *The Bastard Child of the Dictatorship: Comando Vermelho and the Birth of "Narco-culture" in Rio de Janeiro.*

The following chapter explores Brazil's military dictatorship and the subsequent creation of the Red Command, the first sustained large-scale non-state armed actor to challenge the state in Rio de Janeiro. This chapter is split into two sections. Part one examines the dictatorship from an economic perspective, as well as a political perspective, examining the political developments since the military coup in 1964 until its demise in 1985. Part two focuses on the rise of the Red Command, its origins within the prison system, and how it managed to gain control within the favelas. The favelas are focused upon for several reasons. Firstly, during the dictatorship, the majority of working-class labourers and impoverished sections of the population lived in the favelas. Second, the favela's residents faced specific persecution during this period, far beyond that of the middle and upper class. Lastly, it is where the Red Command solidified its expansion point to become the organisation it is today.

Part One begins with the exploration of the economic development during this period, a salient feature of the government's source of legitimacy and the key characteristic of its cohesive capitalist state nature. After initial successful stabilisation efforts by the new government to control inflation, Brazil economic growth was described as an 'Economic Miracle' with 11,6% growth from 1968 to 1973. A problematic outcome of this growth was that it was unequally distributed. In 1973 as the oil crisis hit Brazil, and the authoritarian regime was faced with two options: either lose its legitimacy by slowing growth, or continue growth through debt; the government chose latter based on a favourable global economic climate. When the second oil crisis hit in 1979, Brazil's growth option came tumbling down and inflation began to increase rapidly. By this stage it was too late and inflation levels had increased dramatically and the only thing allowing the authoritarian regime to stay in power had ceased to exist. The decline of popularity from 1973 had hit its peak and the dictatorship was no longer viable.

With this economic context explored, the political component is then discussed, starting with the coup that occurred in 1964. The administration prior to the coup, led by President Goulart, was facing an economic crisis as well as being feared it would take a left turn, towards a communist regime; Brazil's military stepped in in 1964 to fix the economy and prevent a communist takeover. Following this, political developments are discussed, such as the fact that the military began as an attempt to maintain democracy. This faded however following the implementation of Institutional Act No. 5 and the authoritarianism, violence, heavy-handedness, and repression that this regime became synonymous with, had begun. This section also discusses the strong ability of the state to dispel opponents that are considered a threat as demonstrated with its battle against guerrilla groups. Following the examination of the repressive nature of the state, the favelas are discussed; their origins, their overall growth, and specifically how residents residing in these areas faced neglect and excessive persecution by the state. This discussion highlights the relationship with the state and specifically the police, a salient problem experienced even today. Following this, the decline of the authoritarian state is discussed. Faced with a severely declining economy by 1979, internal and external pressure, a regime change was inevitable as Brazil transitioned from a cohesive capitalist state, to a fragmented multi-class state in 1985.

Following this is part two, which begins with the examination of Ilha Grande, a prison which was used to house criminals and eventually political prisoners. This part will explore how the social and economic backgrounds of the inmates began to change, and how this factor

influenced the common criminals of Rio de Janeiro. This is followed by the subsequent creation of the Red Command inside and outside of the prison system.

The final section examines how the Red Command managed to obtain loyalty and recruitment of favela residents, thereby utilising the gap of services provided by the state to gain legitimacy. Another salient aspect of their rise to prominence would be the use of antagonism against the police to create their own system of justice, whereby the Red Command would replace the state to a large extent in these areas in all avenues, not just fiscal. By 1984, the Red Command had grown exponentially, controlling the drug trade in Rio and 70% of all the favelas.

3.2 Part One: Consolidating a Cohesive-Capitalist State – The Military Dictatorship

The military dictatorship period comprised of a number of salient events; however, four primary areas will be focused upon. First, the economic success of the dictatorship allowed for the government to remain legitimate, as well as boost all other functions of the state. Second, the consequence of their economic policies was the exacerbation of the already high levels of inequality. Third, it demonstrates how the state made use of its high capacity to deter any threat to predominance that it encountered. Finally, their repression against any opposition, specifically the guerrilla groups, would create the necessary conditions for criminals to become organised inside the prison island of Ilha Grande and subsequently create the first highly organised non-state armed actor in Rio de Janeiro.

3.2.1 1963-1964: The Fall of Goulart and the Collapse of Democracy

Early on in 1963, given the poor state of the economy, Brazilians voted to revoke the 1961 constitutional amendment, thus giving President Goulart full presidential powers. Economically, Brazil in 1963 began to sink further into economic despair with inflation reaching 78.4% and climbing (Roett, 2010:55; Skidmore, 2010:150). Abroad, foreign investment virtually ceased to exist; foreign suppliers demanded immediate payments, which created problem for Brazil's petroleum supply, which at the time was 50% imported. At the same time the right political arm and Armed Forces of Brazil had long feared Goulart would steer Brazil into a more left leaning, 'syndical republic' and even towards a communist regime. Given that he now had full presidential power this concern only grew. By early 1964, Goulart had run out of answers, and international markets hummed with the rumours of a coup, with

the Goulart government being challenged by the political left and right daily (Roett, 2010:55; Skidmore, 2010:150)[9].

In March 1964, after immense pressure from the left, Goulart took a clear turn towards the left. Goulart began to call for measures which threatened elite control, such as enfranchising the illiterate and allowing unionisation of enlisted men in the military. He further went on a series of rallies announcing key political decrees, decisions which would bypass congress; land expropriation and nationalisation of private oil fields were but a few which concerned the right and the investors abroad, specifically the United States of America. Along with this, the political class was deeply divided, perceived as becoming increasingly polarised and unable to govern. This, joined with an economy in shambles due to mismanagement, led to what the military and right-wing coalition felt was the only way forward: a bureaucratic-authoritarian government[10] (Roett, 2010:55).

From March 31st to April 1st, military units seized key government offices in Brasília and Rio de Janeiro. The military had expected hardened resistance, with justice minister Abelardo Jurema calling on pro-government supporters to take to the streets. This demand fell on deaf ears, with the military encountering minimal to no resistance, with the only exception being in the Northeast, which led to the torture and subsequent murders of a dozen peasant and leftist leaders. Police and military arrested key figures of the populist movement, as well as heads of trade unions; however, the purge spread to politicians and bureaucrats whom the military felt were untrustworthy. The new government consolidated power within days, as Congress – albeit purged of those who would oppose it – voted in General Castello Branco, the leader of the coup. With him, President Branco brought Roberto Campos, an economist and prominent critic of Goulart towards the end. Campos was tasked, with his team of economists and engineers, to contain the economic crisis (Skidmore, 2010: 151).

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[9] Roett and Skidmore are the primary authors used within this section as between the two authors they provide the most comprehensive historical overview.

[10] A bureaucratic-authoritarian government is an authoritarian regime characterised by an excessively strong bureaucracy with the goal of achieving economic industrialisation or rapid growth.

3.2.2 Strengthened Fiscal Capacity: The Economic Miracle

Once Castelo Branco had taken over and subsequently centralised power within the executive, it was time to tackle Brazil's economic woes. Economically, Brazil was in trouble in early 1964, with refusal of credit abroad as well as on the path to a unilateral default on the US$3 billion debt. International oil companies, along with other industries, refused to honour Brazil's credit, and inflation had hit an annual rate of 100 percent (this would be a small inflation rate compared to the later years). A primary purpose of the military takeover, besides protecting Brazil from the leftist and communist threat, was to allow for technocratic policies to fix the economy. An authoritarian bureaucracy can utilise exceptional means, those not available to democratic regimes in order to implement technically ideal reforms, even if it fails to meet the expectations of the public. The subsequent plans enacted during the military dictatorship set the groundwork for the monetary plans experience for decades after (Afonso, Araujo & Fajardo, 2016:42). The subsequent growth of the economy would become the basis for the regime's legitimacy, but the methods would be its ultimate downfall.

3.2.2.1 Foundations of Fiscal Prowess

The economic team led by economist Roberto Campos and engineer Octavio Gouveia de Bulhoes, outlined a new economic diagnosis for Brazil. This was demonstrated in a 240-page document entitled Government Economic Action Plan: 1964-1966 or *Programade Acao Economica do Governo* (PAEG); this document outlined the core issues that required attention and their strategy to rectify it (Skidmore, 1988:30). The plan listed five agendas however both authors deemed inflation to be the most pressing, as outlined in PAEG 'no item in the Government Program' required as much urgency as the containment of the inflationary process' (Kearney, 2007:227; Afonso, Araujo & Fajardo, 2016:43). It was deemed that the control of inflation was the prerequisite to deal with every other issue.

Roberto Campos and Octavio Gouveia de Bulhoes argued that inflation was a product of excess demand, which impacted upon three areas, namely public sector deficits, excessive credit to the private sector, and excessive wage increases. Chronic and violent inflation was the product of increased money supply resulting in many economic distortions: swings in real wages, disorganisation of the credit market, distortion of the foreign exchange market, and an incentive to use capital to manipulate inventories or speculate in foreign currencies. Their plan followed that of a gradualist approach; this stood in contrast to IMF shock treatment, a treatment often termed as an orthodox approach, landing their plan's descriptor as 'quasi-orthodox' (Skidmore,

1988:30; Kearney, 2007:227). The gradual approach concentrated on 1) decreasing the public sector deficit, 2) contracting private credit and 3) stabilising real wages, with all subsequently being rectified to growth conditions by 1967 (Skidmore, 1988:30). While the plan subsequently worked, stabilising the economy and reducing inflation, it did not come without casualties. An effect of stabilising real wages was a decrease in real wages, and this was something that was not looked upon favourably by the working class (Baer, 2014:73; Skidmore, 1999:163). Government policies for the remainder of the dictatorship would predominantly put the lower classes in a poorer position or increase the already large levels of inequality. *This would shape the way the lower classes perceived the state for years to come, specifically when non-state armed actors offering alternative means of survival began to appear in the 1980s.*

3.2.2.2 The Economic Miracle

By the end of the Castelo Branco government in 1967, the stabilisation plan had effectively achieved its principal goal, control inflation. It dropped from 90% in 1960 to 27% by 1967. However, the inflation levels of 1960 would be somewhat insignificant in comparison to the levels which would follow in the 1980s and early 1990s. By 1967 much of the foreign debt had been renegotiated, and with a large drop in inflation, the groundwork had been laid for economic growth; something that was unattainable during the stabilisation plan (Skidmore, 2010:169). What followed, under the guide of economist Antonia Delfim Neto, was what has been hailed as an 'Economic Miracle', which lasted from 1968 to 1973, with an annual growth rate of 11.3%. This exceptional economic growth created an encouraging international image and curbed political opposition at home (Roett, 2010:61).

Taking office in 1969, the Médici administration was marked by impressive economic growth, but also increased repression; the growth outweighed this. Industrial and agricultural expansion were the salient driving forces of the economic miracle, however these expansions relied heavily on foreign technical expertise, imported oil and multinational capital. At the same time the immense growth rate created a mass exodus of landless rural workers seeking employment, causing Brazil's large cities to expand rapidly. However, with poor infrastructure and lack of employment opportunities, the absorption process could not accommodate the volume of people (Napolitano, 2018:10). This forced rural workers to move into the urban peripheries, specifically the favelas, increasing the already vast number of favelas present around the country and specifically, in Rio de Janeiro.

3.2.2.3 Inequality: Fiscal Capacity at a Cost

Despite the country's miraculous growth, it also increased its inequality which would continue to this day, as by 2017 Brazil was ranked third in the world for its GINI[11] coefficient (OECD, 2018). Skidmore (2010:172) considers the notion of the 'winners and losers' of the dictatorship. In this he highlights the most prominent features of developing economies, which is the relative surplus of labour, as well as a decrease in the demand for labour; Brazil was no different. This surplus can be viewed as a benefit or liability, depending from which side you are standing. From a state or industry perspective (the winners), it creates a relative wage advantage for exports, thus it is a benefit. If you are a labourer however, it becomes a liability to your livelihood as the surplus of labour supresses real wages. Industries recruited cheap labour among the rural migrants, however with this surplus of labour there was a decline in wages and working conditions for unskilled and semi-skilled workers. At the same time the few high skilled workers' wages increased rapidly, creating an increasingly large wage difference with minimal labour market mobility (Skidmore, 2010:172; Bocchini, Lourenço & Virgilio, 2014).

While there was an increase in government revenue and capital revenue, there was a drop in real wages for those employed. The salary policy was not aimed at granting salary increases beyond production earnings and would only adjust to previous inflation. This policy, which dropped real wages, was only acceptable based on the surplus of labour and by 1974, the minimum wage had half the purchasing power it did in 1960 (Bocchini, Lourenço & Virgilio, 2014). This was only the beginning for the working class in Brazil in terms of a drop-in living standards. It was also the beginning of the state alienating portions of the population, making them more susceptible to the influence of alternate actors further down the line.

The economic growth of the dictatorship was unevenly distributed, with the bottom 40% of society finding that their national income percentage dropped during the 1960s from 11.2% to 9% in the 1970s. The next 40% dropped from 34.4% in the 1960s to 27.8% in the 1970s, while the next 15% remained stable at 27% over this period while the top 5% increased from 27.4% to 36.3% (Baer, 2014:76). If one had to visit Brazil during this period, it would be simple to identify who benefitted from the economic miracle. Every large city had a construction boom with the creation of luxury apartment high rises; this resulted in the higher-skilled workforce

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[11] The GINI Coefficient is a commonly used statistical measure of distribution used to gauge economic inequality

acquiring these new developments, while roughly 90% of the population did not (Skidmore, 2010:173).

Table 1: Income Distribution Between 1960-1980

Income Group	1960	1970	1980
1st - Lowest	1.9%	1.2%	1.1%
2nd	2.0%	2.2%	1.9%
3rd	3.0%	2.9%	2.6%
4th	4.4%	3.7%	3.2%
5th	6.1%	4.9%	3.9%
6th	7.5%	6.0%	5.1%
7th	9.0%	7.3%	6.7%
8th	11.3%	9.9%	9.4%
9th	15.2%	15.2%	15.1%
10th - Highest	39.6%	46.7%	51.0%
Total	100%	100%	100%

Adapted from *Estatísticas Históricas do Brasil* (1990:77)

Despite the growing inequality, every income group had essentially increased their absolute income level, which was naturally flaunted by the government domestically and abroad. This type of development despite it fluctuating over the years, is still evident today (Interview 2, 2018; Interview 3, 2018). Delfím's rebuttal to the increase in income inequality was that it was a natural response to a growing capitalist economy. Using 19th century Western Europe and the United States of America as examples, he exclaimed that 'the pie must get bigger before it can be divided up' and that over time income inequality would decrease. It did not. Another counter point was that in general, outside of civil liberties, conditions were improving for Brazil, as there was an increase in literacy rates, access to television and radio, household access to plumbing and a decrease in infant mortality (Skidmore, 2010:174).

Prior to the dictatorship only 40% of the country had access to education, however towards the end, education from primary to secondary was available to all children in Brazil. However, the education system in terms of quality, as with income, grew unevenly. Not all schools, whether it be primary or secondary, had the same set of resources, with poorer areas still having schools, but learners less likely to enter the tertiary education system based on the quality of education (Interview 3, 2018; Interview 4, 2018). The degree of quality varied greatly during this period, with schools, hospitals and basic sanitations services being largely inadequate in favela-based

areas, and in some areas did not exist (Penglase, 2009:48-49). With general improvements over all and all income groups having an increased absolute income, the military regime was able to carry on, albeit somewhat fragile.

3.2.2.4 1973: Fiscal Crisis Begins

The oil of shock of 1973, instigated by The Organization of Petroleum Exporting Countries'(OPEC) price revolution, quadrupled the price of petroleum in Brazil, which was exceptionally problematic at the time as imported petroleum equated to 80% of Brazil's supply. Faced with two options, the new incoming president Ernesto Geisel had to choose between reducing growth in order to counter the impact, or continuing to become increasingly indebted, and decrease its foreign currency reserves, *but*, sustain its economic growth; Geisel chose the latter (Baer, 2014:76).

What happened next would affect the Brazilian economy for decades to come. Its total import bill went from US$6.2 billion in 1973 to US$12.1 billion by 1974 and an increase in the current account deficit from US$1.7 billion in 1973 to US$7.1 billion (Baer, 2014:76-77; Roett, 2010:64). This would not be the last time growth was chosen as a political move, despite the negative consequences as will be seen in the next chapter. The move to continue with the debt-led growth route came from both economic and political stand points. Economically, without massive borrowing from abroad, Brazil could not have met its growing oil import bill as well as import goods required to carry out the new National Development Plans' large investment programs. It was further justified that future savings of foreign exchange resulting from investment programs would ultimately create a scenario in which Brazil could produce trade surpluses large enough to service its debt (Baer, 2014:78-79). The choice of growth came with the increased awareness by the international community of the political oppression and violence instituted by the government. Brazil's economic miracle was the only thing helping it save its reputation within the international community and sustain its legitimacy in the eyes of its citizens (to a varying degree) (Baer, 2014:77). Slowed growth would undermine the 'fragile but critical popular support the government enjoyed' (Roett, 2010:65). The end of the economic miracle in 1973 meant that whatever hold the military had to power began to splinter, albeit not immediately (Bocchini, Lourenço & Virgilio, 2014).

By 1974 inflation had already begun to rise from 19% in 1972 to 35% in 1974 (World Bank, 2018), and as the purchasing power of those who benefitted throughout the economic miracle

started to decline, dissatisfaction began to grow. The continued growth option carried on until 1979 when another oil price hike occurred and in 1981 there was a massive credit squeeze, in which United States Federal Reserve Bank hit the developing world. At the time Brazil was its largest debtor and the interest rates skyrocketed. Brazil's balance of payments crashed into a massive deficit by 1981, and the economic boom ended (Skidmore, 2010:181). Delfim's hand was forced following the second oil price shock trying to avoid IMF assistance. Brazil adopted an austerity policy consisting of currency devaluations, elimination of export subsidies and an increase in the price of public services (Roett, 2010:65; Skidmore, 2010:181).

Graph 1: Inflation Rate 1964-1985
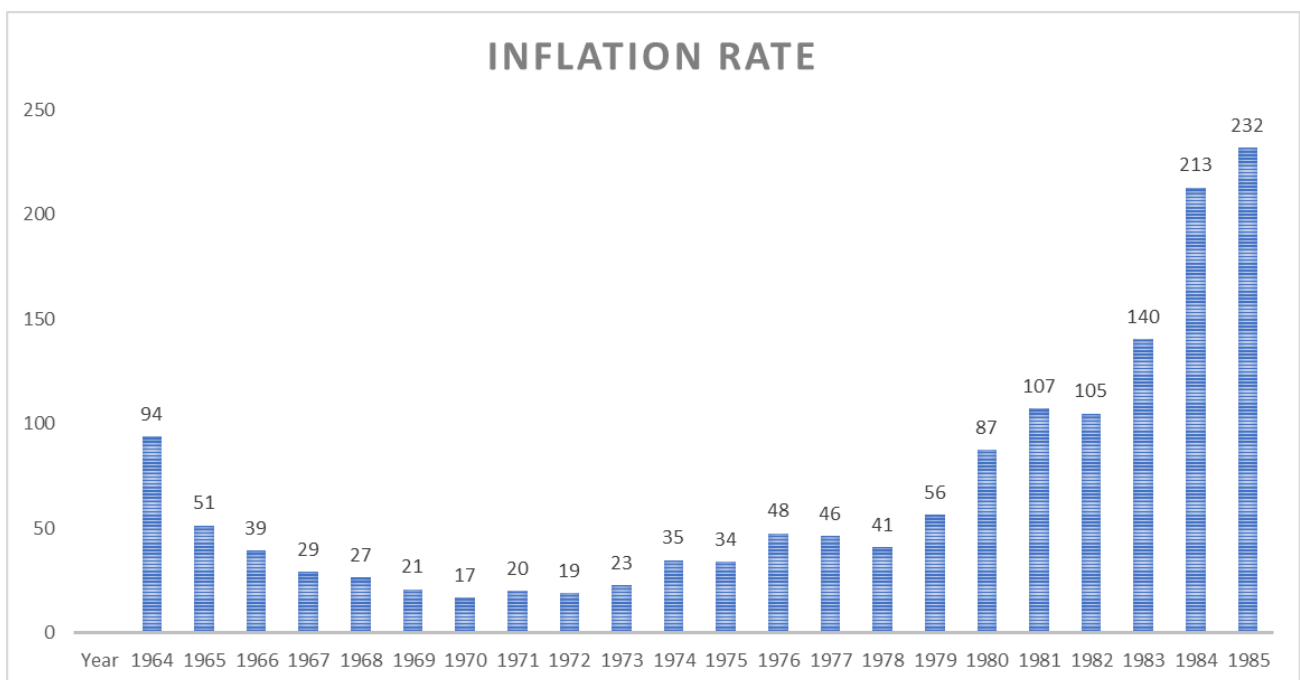
Inflation Rate History: Brazil (World Bank, 2018)

The austerity policy led to a decline in GDP, decrease investment, increased wage demands and the start of a long battle with inflation that would only be corrected in 1994 after a series of failed correction attempts. In 1984, with an inflation rate of 200%, external debt of US$104 billion (54% of its GDP in 1984), and a climbing public sector deficit, the model developing nation once hailed for its 'economic miracle' had fallen. The fall of the economy had drastic effects on the political power of the military dictatorship, which was coupled with an ever-rising level of inequality. The failing economy, growing inequality and poorer prospects for the working class would drive citizens further away from the state and more likely to find an

alternative source of survival strategies. The decline in economic growth opened up the way the for democratisation as the states only claim to legitimacy was slipping. While it began after the first oil shock, the second oil price hike and the credit squeeze prevented a potential bounce back by the regime (Roett, 2010:66; Skidmore, 2010:181-182).

3.2.3 Tightening of Bureaucratic and Coercive Capacity

3.2.3.1 Disguise of Democracy and Hardening of the Military

Shortly after the coup, due to the risk of declining legitimacy, and as rectifying the economy to nominal levels were still two or three years away, the Branco Presidency began to act in a more oppressive manner in order to deter any growing dissent within the population. The government abolished all political parties but *Aliança Renovadora Nacional* (ARENA) which would represent the government and *Movimento Democrático Brasilerio* (MDB) which would represent the opposition. The opposition was to give the appearance of a democratic system. In addition, Congress was closed but not abolished. By 1968, the growing instances of labour and student unrest lead the government to increase surveillance and censorship of civil society, which came in the legal form of Institutional Act No. 5. A salient point of this act was that all crimes that were considered against national security would be subject to the military justice system (Skidmore, 1999:164; Napolitana, 2018:8). It is this system that would allow the future guerrilla members to be thrown into a violent prison system among thieves, kidnappers and murderers. This turn of events would later allow for the creation of one of Rio de Janeiro's strongest non-state armed actor, the Red Command.

An act such as Institutional Act No. 5 signifies the heightened ability a cohesive capitalist state has in terms of bureaucratic and coercive ability in the context of strong fiscal capacity. It allowed the state to utilise its growing capacity to deter any challenge or threat against its predominance. The act would mark the key period of violence and repression of the state, only to be whittled down by 1978 (Skidmore, 1999:164; Napolitana, 2018:8).

3.2.3.2 Challenge to the State: High State Capacity vs. the Guerrillas

While the military takeover was not met with immediate resistance, the growing repressive nature of the government began to ignite armed opposition, especially in 1969 (Skidmore, 1999:164). Dozens of armed guerrilla groups emerged around this time each branding themselves under various names, such as VAR (*Vanguarda Armanda Revolucionária-Palmares*), ALN (*Açao Libertadora Nacional*), and COLINA (*Comandos de Liberaçao*

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Nacional). The total numbers of members of all the groups combined did not total more than five hundred, and surprisingly, the demographic showed that they were from middle class families or children from higher income earners in society, usually aged in their early to late twenties. The guerrilla movement started out as robbing banks, which initially were highly successful, leaving banks with bags of money and shouting revolutionary slogans. Another tactic employed was kidnapping, most noticeably was the United States and Germany's ambassadors as well as the Japanese consulate general, all whom were seen as allies of the repressive state (Skidmore, 1999:164-166; Napolitana, 2018:7).

The guerrillas were hoping for public support; however it did not happen nor provoke any mass public movements against the state (Skidmore, 1999:164-166; Napolitano, 2018:8). A testament to the state's strong coercive and bureaucratic ability is highlighted by the fact that the guerrilla groups, despite being spread out across the country, did not last a decade. From their appearance in 1967 and armed resistance in 1968-69, by 1974 the military government had liquated enough groups that either there were none left or they went into hiding (Skidmore, 1999:164-166). During this period however a future threat that would appear once the state began to weaken was growing inside Rio de Janerio's penal system, and specifically in Ilha Grande, the island prison of the coast of Rio de Janeiro. The introduction of political prisoners, often highly educated, into the violent prison population of Ilha Grande would change the prison system for the remainder of the dictatorship, and ultimately produce the Red Command (Penglase, 2008:126).

3.2.3.3 Violence, Repression, Torture, Law and Order

The military dictatorship of 1964 was a representation of the Weber ideal of the state monopoly of violence and as well as a high functioning bureaucracy. With economic ability heighted as well as a streamlined bureaucracy, it was able to utilise its coercive capacity to supress any force against it. This also demonstrates Kohli's cohesive capitalist state archetype, which indicates high economic growth in conjunction with high levels of functional bureaucracy and strong coercive capabilities as well; this illustrated its infrastructural power, its ability to reach far into the depths of society.

When President Costa e Silva fell ill in 1969, he was replaced by Emílio Garrastazu Médici, a hard military man whose presidency was the starting point for the formalisation of the extra-legal repression of political crimes building on Institutional Act No. 5. This involved

kidnapping, torturing and extra-legal executions of militants and those perceived against the state. This operation was called *Operação Bandeirante* (OBAN) which banded military and police together to tackle the guerrilla movements and grass-root opposition movements. Part of this shift was the act of political prisoners being tried in military courts under the new security law, the *Lei de Segurança Nacional*, or The National Security Law (LSN) which was enacted in 1968 (this was a catalytic event in the later creation of the Red Command) (Napolitano, 2018:8; Barbassa, 2015:17).

In 1969 the civil and military police were put under the branch of the military, changing the nature of police to more militarised entities. During this period a lot of abuse was carried out by the Brazilian civilian police force which is made up of two main branches, the military police and civil police. Despite the name, the military police are a branch of the public police force, where its primary purpose for over 150 years has been to be a visible presence on the streets to enforce law and order, as well as shock troop detail for special operations. The civil police on the other hand, serves the more investigatory function (Leeds, 1996: 63-64). Despite the Brazilian police force being characterised by violence then as well as now, to infer that the dictatorship created a violent and brutal police force in Brazil would be incorrect. Since it has existed for over a century, there has always been a level of violence attached to the police, more so in military police. When owning slaves was still common practice in Brazil, the police were sent slaves who misbehaved, and the slaves were subsequently whipped and then sent back to their owners; this mentality never quite left the police. What the dictatorship did do however, was it legitimised the brutality of the police force (Interview 4, 2018).

In 1970 with the continuation of the armed resistance and under the Medíci administration, a new repressive apparatus was created and integrated into the military, *The Departmento de Operações de Informações – Centro de Operações de Defensa Interna* or the Internal Defence Operations Centre-Operation and Information Detachment (DOI-CODI). The creation of DOI-CODI came from the hard liners in the military (Medíci included), who felt that in order to combat the guerrillas and any other sort of resistance, they needed to operate outside of standard rules and regulations. While the government implemented repressive policies in the past utilising police and military, this arm of the military was created for one purpose, protecting the regime from internal threats with the main operation of hunt, capture, interrogation, information and elimination (Napolitano, 2018:8).

At the height of brutal repressive tactics, predominantly kidnapping and torturing between 1969 and 1974 (the Medici years), there were few Brazilians that had not encountered someone who had been kidnapped, tortured or they had been a victim of, the less extreme but more frequent, search and arrest operation (Huggins, 2000:59-60). The cohesive capitalist state prevailed during this period. Those who benefitted most from the economic miracle from 1968 to 1973 were the middle and upper class, which showed little sign of opposing the state. Even when Medíci took over as president, considered the most oppressive president of the dictatorship, his term was during the economic miracle and encountered little to no residence from society as a whole and those that tried would fail (Roett, 2010:62).

The military regime was successful in stamping out armed political opposition, but the very repressive activities generated new enemies and the creation of oppositional identification against the state. Most noticeably, this would be seen in the favelas, which would become the environment in which the Red Command would emerge. William da Silva, a favela resident and eventual original member of the Red Command described being tortured for hours by the DOI-CODI, trying to uncover who William worked for. While in prison, the anti-state mentality drove him to the Red Command (Penglase, 2008:125). The violence demonstrated during the dictatorship affected the relationship that most Brazilians, but especially the poor and favela residents, had with the police. This would assist in the growth of organised crime in the favelas and militias in the later years, as even today most Brazilian citizens (regardless of their socioeconomic background), do not trust the police (Interview 1, 2018). The highly functional repressive apparatus that the state created was an illustration of the high infrastructural power supported by an effective combination of fiscal, bureaucratic, and coercive capacity. This however would become the state's downfall, and would result in the creation of an environment of state animosity that can still be seen today, especially directed the police force.

3.2.3.4 Favelas in the City of God: The Conditions for the Creation of Brown Areas
Rio de Janeiro has the largest favela population in comparison to any other Brazilian city. It accounts for one fourth of the total favela population in the country. 2009 data demonstrates that Rio de Janeiro's favela population totals at roughly 1,092,476, while its total population is 5,857,907; the favela population group makes up 18.7% of Rio de Janeiro's population. São Paulo has the second largest favela population with 909,623 and then Belém with 448,723 with all other major cities drastically decreasing in numbers (Perlman, 2010:55).

Rio de Janeiro's favela population was not always this large. In 1950 the number of favelas totalled 56 with a population consisting of 169,305 and accounting for 7.24% of the Rio de Janeiro population (Perlman, 2010:55). After the Canudos War in Bahia from 1895 to 1896, government soldiers marched to Rio de Janeiro to receive their payment for their efforts, however it never came and they stayed. The soldiers settled on one of Rio de Janeiro's many hill sides and named it Morro da Favela, after the shrubby tree that thrived at the location of their victory against the rebels in Canudos. With this, began the development of the favelas that world knows today (McCann, 2014:19). By the 1950's, Brazil's period of post-World War II industrialisation, sparked the beginning of a significant increase in the favela population as urbanisation rapidly increased in Rio de Janeiro (as well as other major cities in Brazil) with favela population growth rates over taking standard population growth (Perlman, 2010:55; Baer, 2014:49).

Graph 2: Favela Population Growth 1950-1990
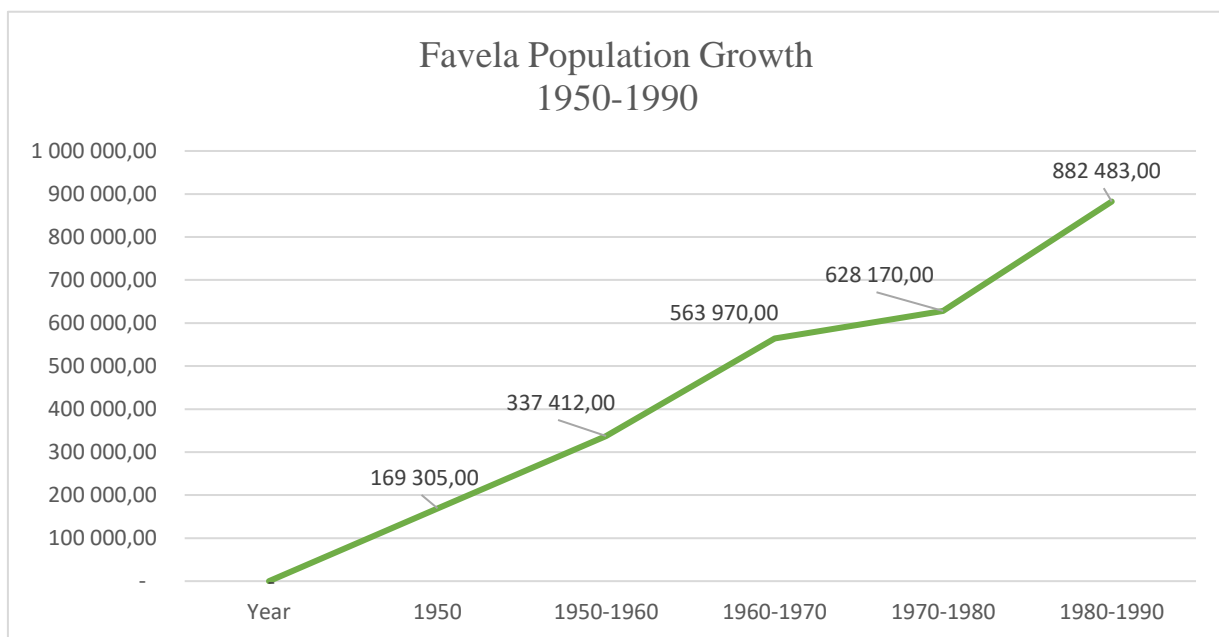
Adapted from Perlman *Favela: Four Decades of Living on the Edge of Rio de Janeiro* (2010:55)

With a lack of affordable housing, the arrivals from the rural areas of Brazil began to build their own, however favela growth was not isolated, with pockets forming in and around the city as the city grew over time. As Brazil industrialised rapidly during the military dictatorship, urbanisation continued, with buses arriving from Brazil's interior to main cities (Barbassa, 2015:22). Perlman (2010:175) describes how during the onset of the military dictatorship, the perception by the new government of the favelas in Rio de Janeiro was that of an area which

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housed communists (a salient aspect of the takeover) and criminals, giving the dictatorial regime enough reason to act punitively. The police of Rio de Janeiro often subjected favela residents to unreasonable searches, extortion, and would arrest them for vagrancy if they were not in possession of their work papers (Perlman, 2010:175).

The favela residents experienced marginalisation since its conception, and increased during the military dictatorship, with countless instances of police brutality against favela residents. Unfortunately, the complaints by residents ultimately fell on deaf ears as the Mayor and Governor of Rio de Janeiro were appointed by the state and not elected. While persecution was a common occurrence to the favela residents, the favela removal program during the 1960s and 1970s was a major blow to the already marginalised. In 1968, the federal government created the *Cordenação de Habitação de Interesse Social da Área Metropolitana*, or Coordination Agency for the Habitation in the Social Interest of the Greater Rio Metropolitan Area (CHISAM). It defined the favelas as an abnormal phenomenon in the urban housing environment and thus it was considered essential to integrate these residents into political economic life and remove the favelas (Arias, 2006:25). In theory, this policy sounded like it promised progress; however, what actually occurred was far from the support residents had been asking for.

The government razed sixty-two centre and south zone[12] favelas, resulting in the displacement of 175,000 people. However, this was not done voluntarily, and resistance was met with disastrous consequences (Freeman & Burgos, 2016:551). The military police were herding people (with what belongings they could carry) to garbage trucks to be taken to the periphery of the city. The military police resorted to burning down the favela after they initially faced resistance by residents a day earlier; with the fire department instructed to ignore any call for help. As a result of this type of police behaviour, sixty-two favelas were destroyed between 1970 and 1973, which would not have been possible without the promise of housing projects and lethal force. The removal was centred on the fact that the favelas were built on or around either government or privately-owned land, something which the military government sought to rectify. The problem, however, was that the housing that was provided, (a new urban renewal project which would provide proper houses or flats, albeit at a small fee), turned out to be a

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[12] Rio de Janeiro can be divided in four zones, Centro (Central Zone), Zona Sul (South Zone), Zona Oeste (West Zone) and Zona Norte (North Zone); Each zone is comprised of a number of districts.

lower standard than the favelas. Families were moved into one-room wooden shacks, and others into incomplete apartments with only concrete frames, no running water, doors, no close access to schools, employments, clinics, all which favela residents had to some degree before (Perlman, 2010:78-80; Gay, 1994:20-21).

Map 1 Map of Rio de Janeiro/Favela Spread as of 2016
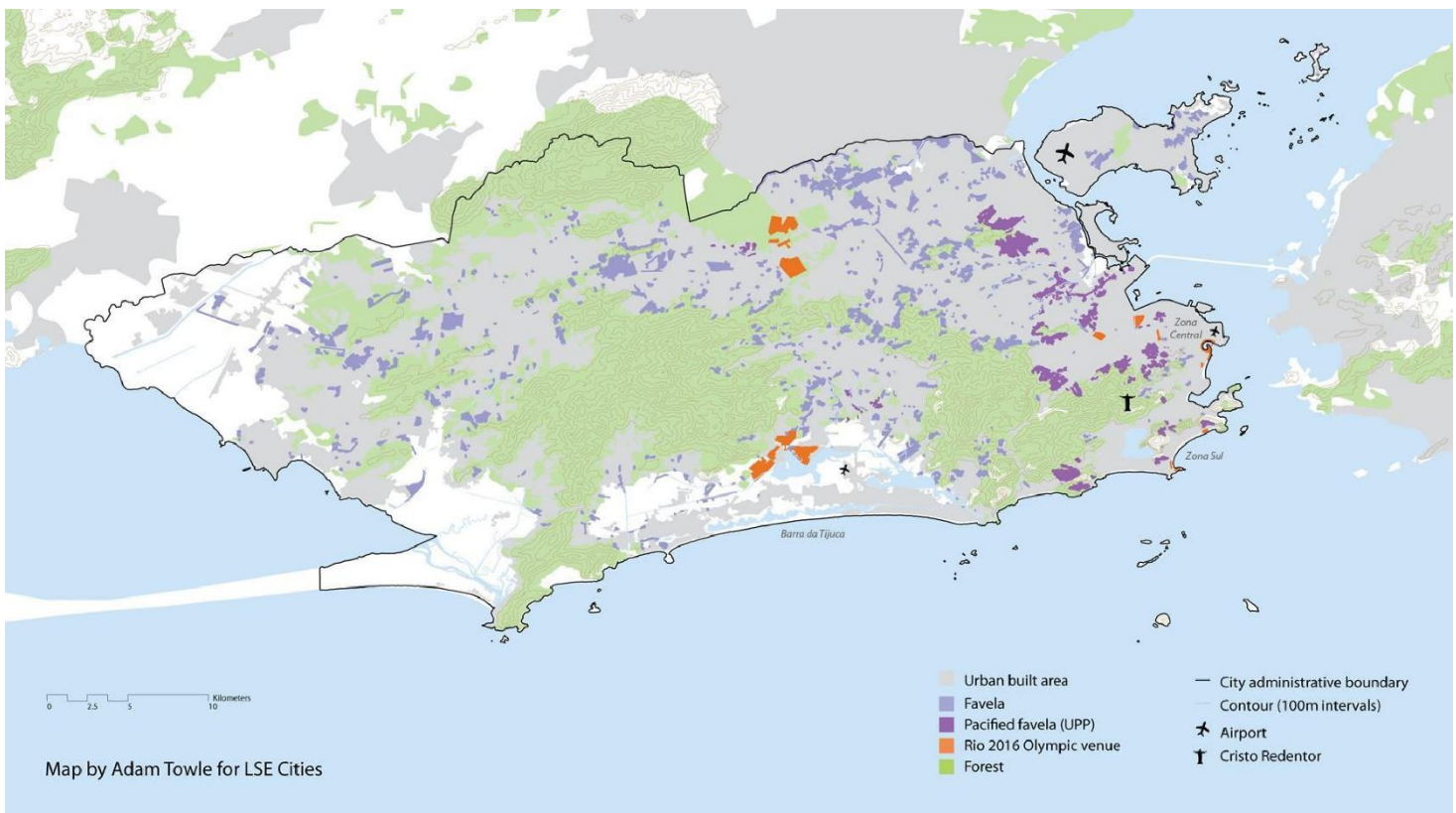
Rio de Janeiro: A City in Transformation (City Geographics, 2017)

Map 2: Zones of Rio de Janeiro

Colour Key

Green: West Zone

Blue: North Zone

Yellow: South Zone

Red: Central Zone

Rio de Janeiro Zones (Rio I Go, 2019)
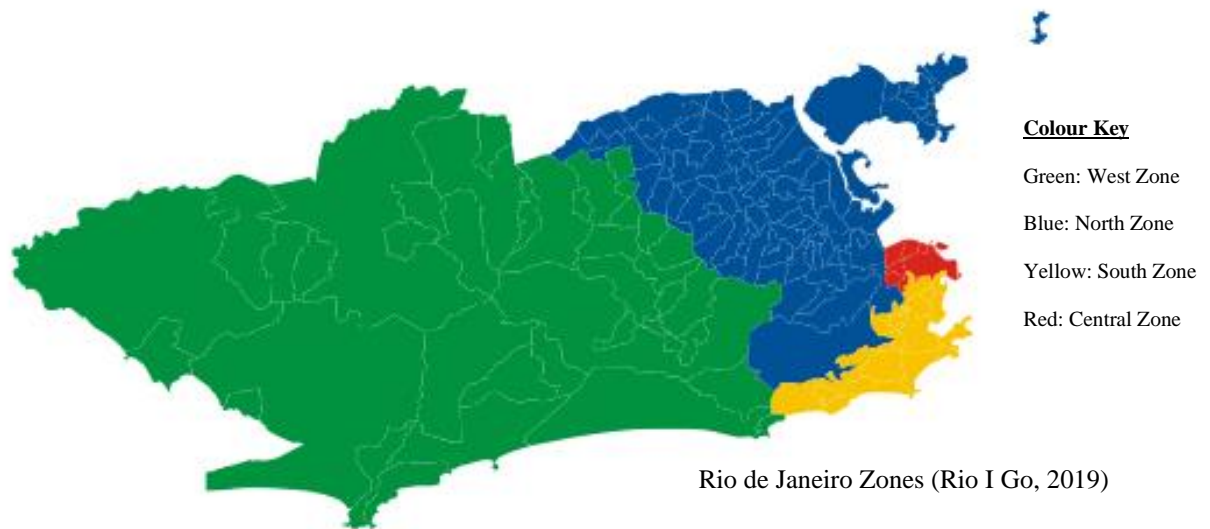
By 1974 the objective of the removal of favelas was realised to be a dead end and considered a policy failure. It was abandoned for a number of reasons. First the government could not keep up with the growth rates of the favelas, nor with the growth rates of Rio de Janeiro itself, which continued to grow unchecked. Second was the poor urban renewal project, with subpar constructed homes far away from employment, most new residents could not afford to stay there and moved to favelas that had escaped the removal process (Gay, 1994:21). While Brazil was characterised as a cohesive capitalist state, what it chose to do with its exceptional growth and efficiency was problematic, as the regime was regarded as benefitting only the elites of society. Despite its fiscal prowess, the state neglected the growing poverty-stricken portion of the population. While a state may have the capacity to provide survival strategies and incentives to a variety of groups, it has to actually provide it, which the military dictatorship did not. The overall economic growth and functionality of the state was spread unevenly as demonstrated within the favelas, specifically considering state abuse against residents, incomplete alternatives and the lack of drive of the state to provide basic infrastructure. This would contrast states that do not have the fiscal and bureaucratic base to provide strong means of survival strategies to its citizens, such as neo-patrimonial states.

In cases of the inability to provide political goods due to financial and bureaucratic constraints *and/or* the state's unwillingness despite having the means, the result is the same. *Those who perceive that the state cannot provide the necessary means of survival, will find an alternate*

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actor that will do so, if such an actor is present. This idea in the context of Brazil, and specifically Rio de Janeiro made large portions of society susceptible to external groups' search for power. However, as a result of the early and heightened period of the dictatorship, with severe government control, it was unlikely that such a group could appear, as seen with the guerrillas. This failure of the provisions of political goods for decades, and heavy-handed state response during the dictatorship, created the conditions required to shape the favelas into 'Brown Areas'. Given the military dictatorship's ability to penetrate deep into society and backed by a strong coercive capacity, it was unlikely that rival private spheres of power would have emerged in these areas.

3.2.3.5 The End of the Cohesive Capitalist State
The return to democracy was a significant turn for the state, as its ability to penetrate society began to decline. The state's fiscal prowess began to slip, which in turn saw the decline of their rigid bureaucratic machine and coercive arm. These conditions set the scene for the emergence of private spheres of power to grow. In 1974, after the first economic crisis, Ernesto Geisel became president, in which he, in stark contrast to Medici, was more of a moderate man and also realised the dictatorship could not last. As purchasing habits from the middle- and upper-class began to be affected by the increasing inflation rate, support for the government from these groups to decline, Geisel knew this. With a declining economy and an increase in civilian dissent, the Geisel government began the *abertura*, or the opening of politics in Brazil (Napolitano, 2018:14).

Between 1974 and 1975 the Geisel government began to slowly ease up on censorship and repression tactics, opening opportunities for the opposition. Brazil's version of the BAR association, *Ordem dos Advogados do Brasil,* or The Order of Attorneys of Brazil (OAB), began to act more aggressively, and workers unions began to protest poor wages, displaying the change in state power. At the start of 1979 an amnesty law was approved by Congress and executed in August, which served two functions. One, to protect the previous hardliner governments for their tactics of repression, and two, to allow previously identified enemies of the state to be granted freedom (Roett, 2010:71-72). This freedom would have drastic results for Rio de Janeiro, as it allowed for the power growing on its island prison to be set free.

Geisel left office in 1979, and handpicked João Figueiredo as the new President of Brazil. The Figueiredo government sought to move ahead with the political liberation started during the Geisel administration. Months of rapidly increasing support of the opposition movement, the MDB and huge decline of the government sponsored ARENA, led to the abolition of the two-party system in 1980 (Roett, 2010:71-72). It was after the 1982 legislative elections, as well as the subsequent use of the electoral college that a new party, the PMDB, won with their presidential candidate Tancredo Neves and Jose Sarney as Vice President. However, the night before the inauguration, Tencredo fell ill, resulting in his death and subsequently Jose Sarney was sworn in as a president (Roett, 2010:71-72).

It was during the re-democratisation that the excessive strength held by the state began to decline and allowed for the conditions of growth for the Red Command and transformation of the favelas into brown areas. Historic brutality by the state, growing income inequality, the housing of political prisoners in Ilha Grande and their subsequent release. All these aspects and experiences of the most marginalised groups in Rio de Janeiro created the fertile context for which the Red Command could begin its journey to become Rio de Janeiro's most violent non-state armed actor.

3.3 Part Two: The Bastard Child of the Dictatorship and the Challenge to State Predominance

3.3.1 Devil's Cauldron

To understand how the Red Command came into existence and eventually dominate the favelas and drug market in Rio de Janeiro, it requires an examination of their origin. The name place of their birth has a somewhat fitting name, The Devil's Cauldron. Ilha Grande is an island west of Rio de Janeiro but falls under the jurisdiction of the province; what is now a tourist destination, used to contain Rio de Janeiro's most notorious prison. It started as

Map 3: *Ilha Grande*

Ilha Grande

*Ilha Grande (*Google Maps, 2018)

a penal colony in 1908, due to its remote location, it was a perfect position to house criminals

and political prisoners. It's given name was *Candido Mendes* Penal Institute (Barbassa, 2015:17).

The prison was severely overcrowded and ruled with an iron fist by authorities who had no intention of reforming inmates who had been sent there. Food was scarce, there were no mattresses, no blankets, and cleaning supplies had to be bought by prisoners themselves. Open pit toilets created a thriving ground rats (and diseases) who inmates would have to battle as the rats emerged at night while the inmates were asleep. Despite the harsh environmental conditions, the authorities that ran the prison, lacking munitions and resources, resorted to 'alternate' methods for control, which included beatings, electric shocks and torture. Humidity, lack of pest control, open wounds and overcrowding resulted in the spread of disease and sickness. Despite the heavy-handed guards, the inmates were their own worst enemies, with newcomers being raped and robbed upon entering the facility, along with prisoners killing one another over differences from the outside, rivalry or pay (Barbassa, 2015:17).

Prior to the military dictatorship, typically thieves, murderers, and kidnappers were housed in the facility and in some cases political prisoners; however, all this changed when the 'catch all' law, the *Lei de Segurança Nacional*, or the National Security Law (LSN), was enacted in 1968. It now began to house political prisoners (alongside 850 common criminals) who were seen as being or acting against the regime; the political prisoner population increased dramatically. This new band of prisoners included student leaders, priests, academics and union leaders, with around 92 being held at a time between 1969 and 1975, however this number began to decrease and eventually after the amnesty law they were released (Barbassa, 2015:17). It should be noted that the political prisoners were not mere protesters, but many were part of the guerrilla groups.

The new band of prisoners were mostly middle class and educated and came into the prison system with the ideology of the collective, something which drove their political actions (Leeds, 1996:52). The new ideologues were impressive to thieves and kidnappers whom the new type of prisoners shared their quarters with, which was a cultivating factor in the creation of the Red Command. The political prisoners maintained the same discipline they did on the outside, with routinely studying, collective decision-making and obedience to rules of conduct. This began to change the nature of other inmates and prison system as a whole (Barbassa, 2015:17-18). While the concept of the collective was a salient idea brought in by the new political prisoners, it was also an anti-state ideology (Leeds, 1996:53).

Penglase (2008:126) describes how the rest of the prison population would observe the behaviour of the political prisoners, pooling resources such as food and money from the outside, enforcing rules such as banning inmates from stealing and attacking each other. On top of resource sharing they would also band together to defend themselves against guards and other prisoners. The military's strategy to hold all prisoners under the National Security Law, in some regard worked against the state, as this gave the group a common identity, the LSN prisoners. This created a common struggle against the prison system for better treatment and naturally the ultimate goal, get out. The common identity began to change the prison environment, curtailing robbery and rape, and leading (successful) hunger strikes for better prison conditions (Barbassa, 2015:18; Penglase, 2008:126).

3.3.2 *Comando Vermelho*: The Red Command

The LSN prisoners organised themselves into a group called the Falange LSN, but the group did not function in a typical hierarchal order. Rather they acted as a collective group of inmates seeking to promote better conditions for prisoners and protection of prisoners against guards and prisoners a like. This was carried out by spreading its *maneira de pensar* (way of thinking) and *estilo de comportamento* (style of behaving) rather than creating the common hierarchal prison style gang. In 1979, the group killed several leaders of rival gangs in the prison and ultimately took over the Devil's Cauldron (Penglase, 2008:126). After the killings in 1979, the LSN, or now the Red Command, took over Ilha Grande. However, it did not stop there. As a group, they began to take over all of Rio de Janeiro's prison systems. The spread of the Red Command was assisted by the easing up of the dictatorship towards the end of the 1970s. Political prisoners were transferred to less severe prisons and eventually released by August 28th, 1979. The killings of rival gang members in Ilha Grande took place a month later (Penglase, 2008:126).

In a report directed to the prison authorities at the end of 1979 by warden of Ilha Grande, the name Red Command was used for the first time as an identifying factor for the group (Barbassa, 2015:18-19). Once the Red Command had assumed control of Ilha Grande, the way of life created by the group was assumed in all prisons. A way of life in which death to anyone who assaults or rapes fellow prisoners, conflicts brought from the street must be set aside in prison, violence can only be used to attempt escapes and continue the struggle against abuse and repression. There was an emphasis on the good of the collective, whereby its combined unity and mutual assistance while still promoting autonomous behaviour, as long as it did not harm

the collective. As the political prisoners began to be released and integrated back into their often-middle-class life, this group and community mentality stayed within the prison system under the Red Command, even when they had left the prison (Penglase, 2008:126).

However some of the political prisoners, formally guerrillas, integrated in the Red Command when they left prison, This allowed for strategic and well-orchestrated bank robberies to begin to take place, something rarely seen outside of guerrilla activities in the late 1960s and 1970s. Bank robberies and a small drug trade, specifically marijuana was highly diffuse prior to the early 1980s which was individualistic and had little control this changed, with the rise of the Red Command (Arias, 2006:29).

Despite what it may appear when examining the emergence of the Red Command, it would be a misconception to argue that the Red Command was the *first* organised crime group in Rio de Janeiro and that the dictatorship 'created organised crime'. To a lesser extent there have always been small groups trading drugs, committing robberies, even during the dictatorship. These groups however were small, not as organised, thus not presenting a major threat to the state (Interview 4, 2018). At the same time, due to the state's exceptional capacity it would have been unlikely any group could have emerged beyond small time operations.

As the Red Command started moving into the favelas in the 1980s, they were untouchable. They had the ability to launch robberies and run a side business selling marijuana, while easily retreating back into the favela network. The densely populated maze was to some degree impenetrable. Red Command members could fall back into controlled favelas and disappear. With a growing recruit base, often young boys, who would ordinarily start out as scouts called *fogueteiros,* would assist in alerting Red Command bosses for incoming threats. The Red Command's ability to thrive within the favelas during the 1980s displays the decline of infrastructural power the state possessed during the final years of the dictatorship. With the fiscal capacity slowly declining and a shift in bureaucratic and coercive capacity, the state was in a weaker position to deal with the private spheres of power growing with the brown areas than they were before. If the Red Command attempted similar operations during the heightened strength of the dictatorship, it is unlikely they would have grown to the degree they have today. While it should be noted the Red Command was the first major organised crime group to develop in Rio de Janeiro, it was not the only entity to emerge out of this period. The militias, as they are known to the residents and government of Rio de Janeiro date back to around the

1950s, were small groups of neighbourhood watch organisations that would patrol the streets. They were around during the creation of the Red Command but did not feature prominently for several years. These groups, small and region specific, were viewed positively in the eyes of the citizens and government alike, despite the roughing up of muggers and even killings of criminals. This vigilante group was not hurting the common people so were left to their own devices (Interview 3, 2018; Interview 4, 2018). More will be discussed on the militias in chapter five as they become a feature group on Rio de Janeiro's stage of non-state armed actors.

3.3.3 Declining State Capacity: Rise of Private Spheres of Power and Survival Mechanisms

Three primary causes can be unpacked to understand how the Red Command began to take a hold within the favelas, namely, the cocaine trade, their replacement role of the state and the decline of the state towards the end of the dictatorship.

Cocaine

By the early 1980s, as prisoners escaped from Ilha Grande and others being transferred to a variety of 'softer' prisons and then released, the Red Command's influence began to spread beyond the confines of the prison systems, specifically the favelas of Rio de Janeiro. Many prisoners were from the poorer neighbourhoods in the favelas, and naturally returned there and many criminals who knew of the Red Command knew their values and systems. They felt it could only benefit them by joining, if, or eventually when they landed up in prison, they would have allies (Penglase, 2008:128). Despite members coming from the favelas or common criminals residing within the favelas joining, the Red Command saw the strategic significance of these areas. The favelas would be used in order to stockpile marijuana and eventually cocaine in order to distribute to the wealthier sections of society and eventually assisting in the global drug market (Penglase, 2009:49). From this point the favelas began to take on more and more characteristics of O'Donnell's brown areas, where this private sphere of power would only continue to grow while the states presence would diminish.

In the early 1980s the growth of the Andean drug trade increased the resource base for drug organisations in northern South America, and more importantly the Red Command. What started as small marijuana shops turned into cocaine trading in the early to mid-1980s, a product exponentially more profitable than any other operation being carried out. This increase in fiscal capacity of the Red Command allowed them to expand into the favela population even more,

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increasingly recruiting with financial incentives far beyond what the state had ever offered to this portion of the population (Arias, 2006:29). As the new drug hit Rio de Janeiro, it upped the operations of the drug trade as well as the stakes. The cocaine trade was an international operation, requiring transportation, distribution, packaging sites, distribution points soldiers, money men; the introduction of cocaine into Rio de Janeiro would change the Red Command and Rio de Janeiro forever (Barbassa, 2015:23). It should be noted that while the Red Command was the first main non-state armed actor to control the favelas, by the mid- to late-1980s, other groups began to emerge as off-shoots or new groups; this will be explored in the next chapter.

While the Red Command's origin provided the group with the necessary groundwork to become a strong organisation, it was in fact the cocaine trade that allowed them to become what they are today. Without the cocaine market, they would not have had the resource base to carry out a fraction of the operations they did at the time, nor the ability to provide resources for the citizens of the favelas. Brazil was seen as a primary exporting hub for the Columbian and Peruvian cocaine trade, where from Rio de Janeiro as well as other cities along the coast it would be transported to North America and Europe. When the Red Command started gaining ground in the favelas in the early 1980s, it did not have the major resource base to garner that much influence. However, as cocaine entered between the early to mid-1980s, that is when the Red Command managed to grow and gain control, rapidly. This important role Brazil and specifically Rio de Janeiro, played in the global cocaine trade from South America, gave the Red Command the resources required to arm themselves, recruit and expand (Interview 3, 2018; Interview 4, 2018).

Parallel Political Power: Survival Strategies

The Red Command members coming from the favelas and seeing it as a strategic point is one instance, but what led to the Red Command to having the ability to take over the favelas? A Red Command member was interviewed for a Brazilian newspaper on December 10th, 1984, explains the process of securing loyalty:

> We, former bank robbers who have now entered the drug trade, educate the Favelados and show them that the government isn't worth a damn, and won't do anything for them. Then we give them food, medication, clothes, school supplies, uniforms for kids, even cash. We pay for doctors, for funerals, and we don't let the Favelados leave for any reason. We can even resolve fights

between husbands and wives within the favela, to avoid messy situations that would require the police to come in (Barbassa, 2015:23).

As the economy began to run into turmoil, albeit even before then, it was clear that the government, from the eyes of the poorer class especially those living in the favelas, the government was doing to help their situation. This, coupled with the twenty years of a repressive regime, it was easy for the Red Command to replace the state to a certain degree and win the support of favela residents. The poor and favelas as an area were left behind and even attempted to be eradicated. Based on Migdal's model, the citizens of the favelas were faced with continuous strategies of survival, and when an actor outside of the government with resources appeared, it was a simple choice of who to side with. The provision of services to favela residents was challenge to the state's predominance, as this process would deter resident's loyalty from the state to the traffickers; this would only increase as the trafficker's fiscal capacity increased.

At the start of the Red Command's entrance into the favelas in the early 1980s, if you were living in a favela that was controlled by the Red Command, that was how one would join their ranks or interact with them; their influence was contained to a single favela. You could join the Red Command or not, but recruitment was localised to that specific favela; no one would travel from another district to join the Red Command in that one (Interview 2, 2018). This locality of recruitment lasted a number of years, however when their fiscal capacity increased due to its new source of revenue, cocaine, this changed and so did the Red Command. The arrival of cocaine in Brazil aided the expansion of the Red Command by incentivising residents not living in Red Command-controlled favelas to seek out employment within controlled areas. They would travel to Red Command-controlled favelas or work for the Red Command but not live in a controlled favela; they treated it as a job in which they travelled to daily. Something that would also change over time would be the 'robin hood' aspect of the Red Command (Interview 2, 2018; Interview 3, 2018).

Decline of the State, The Police, and Legitimacy

As more money came in 'local drug bosses often self-consciously stepped into the role that should have been played by the government, securing the loyalty of the residents and strengthening their grasp on the community' (Barbassa, 2015:23). The state however was aware of what was happening. As democratic change began to happen in early 1980s, local

politicians would in fact endorse Red Command projects for the community to obtain votes for the new era of democracy (Arias, 2006:29). The changing political environment allowed for the Red Command, in conjunction with politicians pursuing their own agenda, to grow in strength and legitimacy. Politicians however were not aware what the future would hold for their decisions. This canvasing for votes highlights the already-changing nature to a fragmented multiclass state. For politicians to stay in power one would have to find a way to gain the vote of the people. By 1982, prior to the legislative elections, the favela population between 1980 and 1990 was roughly 882 483. This provided a significant sway for local elections. This highlights how in a fragmented multiclass state, one must gain favour from a variety of groups to gain power. To gain favour from favela residents, one would need favour from who controls the favelas, starkly contrasted with the military dictatorship who stayed in power without input.

Another key component of obtaining control of the favelas outside of the provision of services was the police (Penglase, 2009:49). The Red Command utilised the tense relations between favela residents and the police force that had been festering for years, something that has not changed even in 2018, to their advantage (Interview 1, 2018; Interview 2, 2018). As noted above, the police were seen as terrorisers of the favela neighbourhoods, with the military police being tools of the state. After the forced removals and the use of extreme tactics such as burning down favelas, it came as no surprise that most residents did not trust the police. Outside of the provision of basic services, the Red Command offered protection, conflict resolution, and short-term assistance if the residents turned a blind eye to the activities. This arrangement came to be known as *lei do morro,* or the law of the hillside (Penglase, 2009:49-50; Interview 2, 2018; Interview 4, 2018; Leeds, 1996:62).

The perception by the favela residents and most of the working class was that the state and its formal justice system did not work for the people, thus leading them to accepting an alternate system of justice (Leeds, 1996:62). By the Red Command acting as the law within the favelas it served two purposes. One, the police were not called into the area and two, gaining the trust and legitimacy of favela residents as providers of law and order. Even as the Red Command changed over time, they were still viewed more favourably than the police. The Red Command's presence, albeit illicit, would assist in law and order to some degree in the favelas, where the police did not (Penglase, 2009:49).

The presence of the Red Command and their form of justice in the favelas did not however mean peace for Rio de Janeiro. In fact, the first data record of homicide rates in 1982, demonstrated that per 100,000 residents, Brazil's total murder rate was 11,7, but Rio de Janeiro's was 26,1 (Mouráo, Lemgruber, Musumeci & Ramos, 2016:11). The rise of the Red Command and organised crime in general in Rio de Janeiro was the start of a violent battle between the police and organised crime groups. Homicide rates in Rio de Janeiro reaching its peak around 1994 with 61,9 homicides per 100,000, often with innocent victims in the crossfire (Interview 1, 2018; Mouráo, Lemgruber, Musumeci & Ramos, 2016:11). The specifics around the fluctuating homicide rate starting in 1982 and onwards will be discussed in the following chapter.

The expansion of the Red Command demonstrated the slipping control of the state during re-democratisation period. The state's focus on its economic woes and transition affected its ability to maintain its streamlined bureaucracy and strong infrastructural power. It became clear during this process the state no longer held the monopoly of the use of violence. The fighting between police and the Red Command coupled with years of repression also created a recruitment incentive outside of monetary. Residents who had been affected by police or the state during the dictatorship, those who lost a loved one or had themselves been a victim, joined the Red Command as a form of justice against the state. This would only increase as the violence between the police and organised crime groups escalated over the coming years (Interview 1, 2018; Interview 2, 2018).

As violence increased, and more saliently the resource base of the Red Command, so did another phenomenon: corruption within the police force. It started out small at first, as during the dictatorship, high levels of violence against police and organised criminal groups were not a salient aspect of being a police officer. Some members of the civil and military police alike began to feel the earnings did not outweigh the danger they began to experience. The danger was one avenue however, the other was monetary gain in general. Police salaries have never been exceptional in Brazil, and the police were not immune to the economic woes. The Red Command offered as with the favela residents, a survival strategy that could not be competed with by the state. If police allowed operations to run, they would receive significant returns, far beyond their salary from the state (Interview 1, 2018; Interview 2, 2018; Interview 3, 2018). Migdal describes the first instance of control, which is who controls the police, where the state could no longer make that claim as police corruption only increased over the coming years

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(Interview 2, 2018). Noticeably, between the civil police and military police, the civil police were more susceptible to corruption, which stays true to this day (Leeds, 1996:62; Interview 3, 2018).

The lack of provision by the government after many years of neglect, as was well as an increasingly corrupt police force, created an environment within which the Red Command could be created and thrive, growing into what one sees today. The dictatorship provided a rigid foundation upon which the Red Command and future organised crime groups could grow and by 1984, the Red Command had grown exponentially, controlling the drug trade in Rio and 70% of all the favelas (Penglase, 2008:129).

3.4 Conclusion

The dictatorship resembled a capitalist state, characterised by high economic growth, strong bureaucratic capacity, and high levels of infrastructural and coercive power. This allowed for years of sustained control; however it is clear that the economic performance was the only aspect of this cohesive capitalist state giving it any legitimacy. This is seen from the decline in 1973 after the first round of oil shocks. The key aspect for its development was the high levels of inequality created during this period. Despite having a strong fiscal and bureaucratic base, government priority of the allocation of capacity makes a key difference when examining the provision of survival strategies to citizens. The state may have the resources to provide these survival strategies, but if they choose not to utilise their resources evenly, the gap is opened for other groups to provide a survival incentive to citizens who feel marginalised by the state. This shows in terms of Rotberg's analysis of state failure, Brazil during this period did not fall into either weak, failed or failing. However, the choices of the government created a weak environment within a segment of its population, which created a gap required by non-state armed actors to come in.

Those that inhabited the favelas were left behind by the dictatorship and felt the brunt of the repressive arm of the military government. The historical heavy-handed nature of the Brazilian police found a legitimised use of force during this period, further increasing an already strained relationship with favela and poorer residents and the state. The fight against the guerrilla's and creation of the DOI-CODI highlighted and high levels of control exerted by the state, the high levels of infrastructural power. This was aided by a strong fiscal base and bureaucratic structure

of the dictatorship, however this control, or rather the endorsement of this control, rested on economic development, both globally and domestically.

As the fiscal strength of the dictatorship declined from 1973, gaps and opportunities began to emerge, especially with the easing of repression to a lesser extent between 1974 and 1975, along with the amnesty law enacted in 1979. While these gaps were seen by what could be considered traditional groups such as trade unions and the OAB, the decrease in repression opened up a gap in the favelas for a new group to expand, the Red Command. While the Red Command had been brewing in Ilha Grande during the dictatorship, on the outside favela residents were becoming increasingly marginalised by the government. By the time the Red Command began to enter the favelas around 1980, it became easier to find support. The favelas had the right conditions to become brown areas, which only increased as the Red Command left the prison walls and began to grow inside the favelas. Once establishing themselves within the favelas, the Red Command began to garner support by residents. This support however did not expand until the cocaine trade upsurge in the mid-1980s. With an increased resource base, the Red Command could now provide large levels of services, from food, medicine and school clothes to name a few, to favela residents for their cooperation.

The utilisation of the tense relationship between favela residents and police became a greater source of legitimacy for the Red Command. They created their own form of justice within the favela communities, ignoring the state's rule of law. They could also utilise the new resource base from the cocaine trade to arm themselves better against the police. This new revenue stream also provided the Red Command the opportunity to provide incentives for police to turn a blind eye to their operations, and thus the creation – or rather an increase – in police corruption that is rampant today.

Had the Red Command emerged during the heightened levels of control and repression of the dictatorship, it is unlikely they would have had the same success. They emerged at what one would call the key window of opportunity. During the transition to democracy, the state was not a highly organised bureaucratic system, thus unlikely to focus on what was happening in the favelas, at least at the start. The repressive apparatus began to decline from 1974 opening up for easier operations by the time the Red Command emerged in the 1980s. This, coupled with the cocaine trade, allowed for the group to expand from controlling the Devil's Cauldron, to controlling 70% of Rio de Janeiro's drug operations by 1984.

Chapter 4: Economic Stabilisation, Clientelism, and Traffickers vs. the State, 1985-2000

4.1 Introduction

> Of the five hundred favelas and housing projects in the municipality of Rio de Janeiro (excluding the municipalities of the metropolitan areas outside of the city), virtually all have drug-dealing groups, even though the scope of operations and local impact may vary considerably. The number of people in a single community involved economically in drug activity can total as many as several hundred. (Leeds, 1996:59).

From the emergence of organised traffickers into the favelas in the 1980s to the situation described by Leeds above, several processes and events took place which aided the traffickers in strength and subsequently allowed them to achieve a level of predominance inside the favelas by the end of the 1990s.

The following chapter will examine the solidification of traffickers in Rio de Janeiro, specifically how they became imbedded into the political life, whilst simultaneously becoming a more streamlined organisation, one that could rival the state. It also demonstrates how the state failed to correct its fiscal capacity for almost a decade, and how this coupled with poor policing policies created a context for trafficker growth. Coming out of the dictatorship, Brazil faced numerous challenges, the most salient being the rising levels of inflation. After numerous failed attempts at stabilisation, the state found itself reaching levels of hyperinflation by the 1990s. The lower echelons of society suffered the most while the government continued to taint an already bleak image of itself. In 1994 the Real Plan created the groundwork for stabilised inflation, but part of the plan was cuts in government spending.

This is followed by the examination of a salient process which came in the wake of a fragmented multiclass state system, whereby local politicians were no longer appointed, but had to be voted in, opening a doorway to an increasingly-complex clientelist network between the traffickers, the state, and the favela residents. Through this system, the traffickers increased greater control over the favelas as well as their operational base, whereby having trafficker appointed leaders in the *Associação de Moradores* or Homeowners Association (AM), they could broker deals with politicians for votes from favela residents

Following this, an exploration of the security forces is done, specifically focusing on the 1988 constitution which set out guidelines on who controls public security. This will also look at the

additional 1999 clause allowing for the use of the armed forces, stating that once public security efforts have been exhausted, the military can be used. Between the start of the democratic period and 2000, Rio de Janeiro's governors would change policing laws multiple times. Either a too soft or too hard approach was taken, with the lengthier, softer approaches being criticised for allowing organised crime to grow. This section also outlines two key events in 1994. The first was Operation Rio, the first use of military for a police intervention into the favelas. The second was the decision by Rio de Janeiro's governor to reward officers for killing criminals, creating yet another militarised police force, a culture that still thrives today.

The final section of this chapter deals with organised crime in Rio de Janeiro and how more groups began to emerge as time went by, splintering from the original Red Command into groups such as the *Terceiro Comando* or Third Command (TC), and *Amigos dos Amigos* or Friends of Friends (ADA), who are all still in operation today. With the emergence of a threat outside of the state, traffickers began to tighten up their operations, purchasing increased fire power, and running their operations in a more streamlined fashion. An outline of the normative organisational structure for traffickers is explored in order to demonstrate this system. Following this is the continuation from the previous chapter regarding the notion of traffickers versus the state in terms of the favela residents. As the capacity of traffickers began to increase, so did their recruitment and influence, and while each trafficker boss determines how a favela is run, most residents prefer the trafficker's security as they envisage the police as a threat to them.

4.2 Attempts to Repair Fiscal Capacity

In order to counter the economic decisions created during the military dictatorship which led to a growing inflation rate, the new government came up with numerous stabilisation plans which subsequently failed. The failure of the plans would only increase the already poor economic conditions of the country and increase the inflation rate. The next section will examine the salient stabilisation plans, and how it affected the survival strategies of the already marginalised and poor. Once again, the fiscal capacity of Brazil remained limited, especially in terms of reaching the poor, something that would have to be rectified in order to curb the growing spheres of power within the favelas.

4.2.1 The First Attempt: The Cruzado Plan

On February 28th, 1986, the incoming administration declared inflation to be public enemy number one and proceeded to announce the Cruzado Plan; the first of many failed attempts to curb inflation. The Cruzado would replace the Cruzeiro currency at 1,000 to 1, one-year price freeze on mortgage and rent while an indefinite freeze on prices such clothes, food etc. In addition, a wage freeze was implemented. 'Following a readjustment that set real wages at an average of the previous six months plus 8% and set minimum wage at 15%. Thereafter a sliding scale would automatically adjust wages whenever inflation reached 20% from the previous adjustment or from annual base dates for specific categories' (Roett, 2010:79; Baer, 2014:106).

In addition, an unemployment benefit was set up. However, this program was aimed at the existing labour market or previously employed individuals (an employment history was required). This affected predominantly the more developed Southern areas of the country who voted independently, with the policy not extending to those in poverty. Once again those living within the lower echelons of society were side-lined by the state, only pushing them further away from state loyalty. The Cruzado Plan was a large success, curbing inflation and creating stable prices for the first time in decades (Roett, 2010:79).

Economists who oversaw its conception, as well as those bearing witness to it, all came to the same conclusion: one cannot maintain a prize freeze for an extended period of time, due to the fact that the longer it goes on, the more market distortions are created. The consensus amongst the Cruzado Plan's architects was that the freeze component of the plan would only last two to three months. At the same time, they were worried that if it was done too soon, inflation might climb again. However, from a political perspective, the president needed it to stay. Congressional elections were going to be held in November of that year, and since Congress also acted as a constitutional assembly, it could essentially determine presidential powers and length of term. Therefore, the president needed to provide results and a return to high levels of inflation would be detrimental. The success of the plan would yield a large victory for the PMDB, which it did by the time November came, but the economy began to overheat[13] (Baer, 2014:111-112; Roett, 2010:80-81).

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[13] Overheating occurs in the economy when its productive capacity is unable to keep up with the growing demand

With a wage increase and price freeze, consumers went into a state of frenzy, and supply eventually could not meet the demand. After the political win, the government introduced the Cruzado Plan II in order to prevent inflation coming back, due to signs of an increasingly overheated economy; however, it did the exact opposite. A new tax incentive implemented in order to save money resulted in an increase on taxes on luxury items such as cars. This was done so as to only tax the middle- and upper-class citizens. This was done in order to prevent expenditure, however critics exclaimed that making prices higher on some products would not create savings but merely divert expenditure, which it did. Subsequently inflation returned (Baer, 2014:111-112; Roett, 2010:80-81).

As the Cruzado Plan and the Cruzado Plan II failed, subsequently two alternate plans were introduced. While the Bresser Plan in 1987 and the Summer Plan in 1989 each plan managed to curb inflation briefly, over the long term it only made it worse. Baer (2014:112) explains that as a president, Sarney (who left office in 1990) did not have a long-term vision for the Brazilian economy. His term was to be set by congress so he would have to keep attempting to fix the economy, but at the same time does not make choices that would harm the vote. Here one can see the stark difference between the cohesive capitalist state that the previous dictatorial government enjoyed. It had the ability to make decisions that were not viewed as popular but would ultimately help the economy, albeit only at the beginning. In a fragmented multiclass state, any president would have to deliver not only to congress but to the citizens and various other interest groups in order to stay in power. This concept cannot be limited to the presidency, but also extend to local actors such as district representatives or city council members from Rio de Janeiro, an issue that will be discussed later in the chapter.

4.2.2 Collor
Another salient stabilisation plan which at first worked but ultimately failed, was the Collor Plan. When Sarney left the presidency in 1990 he was replaced by a relatively young and charismatic man hailing from a small town in the North East named Fernando Collor de Mello. Upon taking office, the inflation rate had hit 81% a month, naturally the first directive was to combat this. The salient components of the plan were an adoption of a new currency, the fourth in four years and was called the Cruzeiro with a conversion rate of 1:1, an eighteen month freeze on savings and assets and a thirty-day wage and price freeze. As with the Cruzado Plan, it worked relatively quickly, dropping the inflation rate to single digits within 30 days. This however, had also caused a negative GDP growth of 7.8%. Within a fragmented multiclass

system, a state cannot make changes that hurt interest groups, despite the long-term benefits, if it is to survive politically. With the fear of recession and pressure from a variety of interest groups, the government released assets and made changes to the plan earlier than anticipated without a concrete plan (Roett, 2010:80-82; Baer, 2014:113).

One of the reforms which came too soon was the process of remonetisation, in which the public sector would pay taxes in the old currency, but expenditure would be in the new currency. This led to a rapid remonetisation process, increasing the overall money supply and inflation began to rise again. While several plans built on top of the original Collor Plan were instated over the years, nothing worked. Collor was impeached in 1992 for charges of being involved in an influence peddling scheme, and he was replaced by vice president Itamar Franco. Franco would place Fernando Henrique Cardoso in the top economic leadership position in 1993, which came with a new stabilisation measure, however this time it would work (Roett, 2010:80-82; Baer, 2014:113).

4.2.3 The Evolution of Power and a Shift in Bureaucratic Capacity

In 1988, several changes were applied to the Brazilian political system in the form of a new constitution. Previously during the dictatorship, power was extremely centralised. In order to pave a new democratic path, this needed to change dramatically. A change that did not help with Brazil's bureaucratic or fiscal capacity, especially amongst the individual provinces. While the federal government would have mandatory policies, individual provinces were now increasingly in charge of tax collection, implementation of policies, and gaining control of public security forces to be used at their discretion, which will be discussed below. Baer (2014:116) argues that, fiscally, this was problematic given the economic crisis. The transfer of tax percentage from the federal government was 21.5% to municipal governments. The problem was that the amount of money the federal government had stood in stark contrast to how much they had available to give to municipal governments. This, in turn, created spending and budgetary issues, something that only added to Brazil's economic woes. Here one can see the difference in terms of a centralised cohesive capitalist versus a fragmented multiclass state. By no means does one argue that the former was a superior system, but the diffusion of state bureaucracy and as such, bureaucratic capacity, gave way to these types of challenges, which in turn slowed down state functions.

4.2.4 Fiscal Capacity Stays Down: Who Loses?

In the cases of most Latin American countries that underwent a transitionary period from authoritarianism to democracy, most found themselves in similar situations: Economic shifts due to political transitions which increased poverty and inequality. Drastic decline in state spending as a result of economic restructuring ended up hurting those in vulnerable positions the most. In most cases there was a void left by the state, and while NGO's filled it to some degree, in some countries such as Brazil, there was another breed of actor also ready to fill it (Leeds, 1996:48). As with economic polices during the military dictatorship, this period of inflation and then hyperinflation, increased Brazil's massive inequality. On top of the hyperinflation, the economic stabilisation plans did not help to quell these issues. Once inflation rises above 100%, the lower income groups begin to face a bigger financial burden the further the inflation figures increase. By 1989 Brazil's inflation was in the quadruple digits. Short-term inflation, even at high levels, does not prove to be overwhelmingly negative on those struggling financially. However, long term inflation as experienced by Brazil, had much more detrimental effects, specifically on employment, real wages, and the already high GINI coefficient (Easterly & Fischer, 2001:162).

Those most affected by the long-term inflation in Brazil the poor. This is due to the fact that the small income earned would subsequently drop in value within a single day of earning it. Here again, as seen in the previous chapter, the opportunities and 'survival' mechanisms provided by the state were subpar to the requirements of supporting one's family or one's self. Huguet & Carvalho (2008:99) and Zaluar (2000:654) outline that given the lack of employment opportunities, education, or any alternatives means to earn a middle-class life, citizens (specifically youth) are pushed into illicit means of earning a living. An important aspect to note for future points within this chapter is that residents of the favelas included police officers too, who were by no means immune to the inflationary issues facing Brazil (Interview 3, 2018). As inequality was a primary result of old economic policies and hyperinflation levels, it is important to note the close connection between the growth of inequality and criminality. While poverty is not an indicator of criminality, the high levels of inequality produced and perpetuated over the years influenced criminality in Brazil in general (Sachsida, de Mendonca, Loureiro & Gutierrez, 2009). As inequality grows, the attainment of middle-class life becomes an increasingly distant dream. Citizens are thus more likely to turn to alternate means to achieve it (Huguet & Carvalho, 2008:99).

The favelas could very much be considered a brown area during the dictatorship purely from O'Donnell's description of 'unlawful interventions of the police into poor neighbourhoods, the widespread practice of torture and even summary execution of crime suspects from poor or otherwise stigmatized sectors' (O'Donnell, 1993:6). However, as the traffickers began to take over the neighbourhoods, the creation of parallel political structures further entrenched the idea that the state has no presence in these areas. Government employees too are hit, with dwindling purchasing power and poor working conditions opening a breeding ground for corruption (O'Donnell, 1996:15). The longer this carries on, the more likely citizens and even some state employees are likely to accept alternate sources of revenue outside of the state in order to live. This would then impact upon the state's level of predominance. While O'Donnell's argument refers to mostly individuals working in government postings, one can argue its applicability within the police force as well. The already meagre salary and increased experiences of violence (as noted in the previous chapter) led some low-level police officers to corruption. This idea can be further emphasized by the fact that salaries for police officers were low enough that many had to take (and still maintain) second jobs to support their families (Interview 1, 2018). Police corruption will be dealt with later in this chapter and in chapter five.

4.2.5 Fiscal Capacity Returns: Almost

The Real Plan was announced in December 1993 and had three main components. A new currency (again) called the Real which would be tied to the US Dollar, general price indexation and strong financial discipline, particularly with regards to public spending. The name of the game was fiscal austerity. The key difference between this plan and previous stabilisation measures was the gradual and transparent process in which the plan was laid out, a contrast to the shock treatment previously implemented. For the poor, the plan came with a new Social Emergency Fund which would transfer 15% of all tax receipts to the fund in order to assist those marginalised citizens during the process. The fund however was only temporary, as the government announced a long-term plan to make amendments to the constitution which would transfer funds to the municipalities for education, health care, sanitation, housing and social services (Roett, 2010:86-87). While the fund would have provided some fiscal security, albeit meagre amounts, it still would be unable to fix the excessive inequality in Brazil, nor could it compete with the incentives provided by traffickers.

An indexation system was introduced in February 1994 and was called the URV or Unit of Real Value, where the new currency would be tied to the U.S. Dollar on a 1:1 basis. Roett

(2010:87) explains how the new system worked 'Depending on the prevailing rate of inflation, the URV's quotation in the local currency rose daily, accompanying the exchange rate'. Private companies were encouraged, not mandated, to use this, however official prices, contracts, and taxes were denominated to the URV. Over time, more and more prices were given in URV. By June 1st of 1994, the system had gained popularity amongst all citizens and thus, the new currency was introduced, leading to the Real subsequently becoming Brazil's official currency. As noted by Baer (2013:147), as well as the visual representation below, the plan worked as inflation fell from 2076% in 1994 to 66% in 1995 and by 1997 it was in single digits which it remained for the following years.

Graph 3: Brazil Inflation Rate: 1985-2000
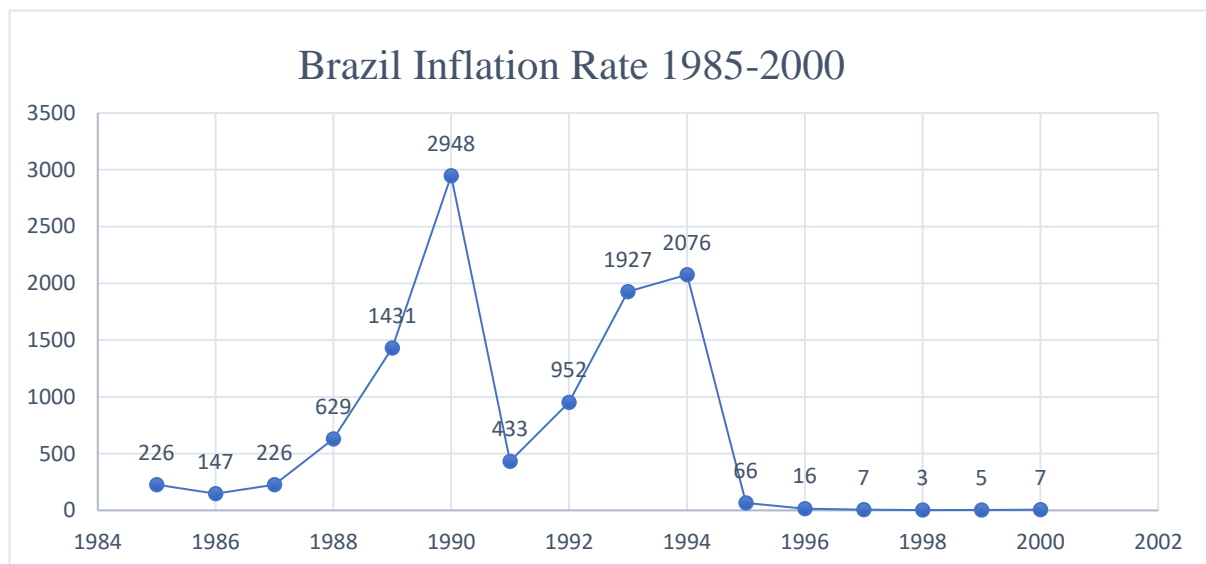
Adapted from *Inflation: Brazil* (World Bank, 2018)

While the state dealt with economic woes for decades, social development also suffered, leaving the state in a poorer position to deal with the growing non-state armed actors in the favelas, as well as driving more residents to alternate means of survival. Baer (2014:147) discusses the argument of economic orthodoxy and social development. There is a general idea that one cannot have equity and efficiency, as in order for the one to grow, the other must take a backseat, which Baer argues has been the case in Brazil for decades. One can draw parallels here with Kohli's spectrum of state development which postulates the same idea. Although cohesive capitalist states tend to drive economic development, they are also inclined to leave social development behind as seen with the dictatorship. Post-1985 Brazil not only had to deal with growing inflation, but also economic development *and* social development. The Sarney

government won votes when they made the decision to continue wage and price freezes, but this decision would be detrimental to the economy. Eventually, both economic development and social development would drop due to hyperinflation. While the methods the dictatorship took to bolster the economy delayed social development, they could afford to make that decision in the name of economic development. A fragmented multiclass state, as with post-1985 Brazil, could not do the same. Democracy required increased popular support and for the economy to be fixed, which naturally proved to be a challenge.

4.3 Clientelism, Bureaucracy and Declining Coercive Capacity

4.3.1 Limited State Reach and the Need for Power

When the Red Command began to operate within the favelas in the early 1980s, and then other groups from the mid-1980s and onwards, they realised they would be unlikely to survive without some degree of political support. Given that Brazilian politicians now had to be elected, there was no shortage of opportunities. Clientelism in the 1970s up to the late 1980s focused highly on the *Associações de Moradoras* (Residents Association or AM), an elected representative from a specific favela which would deal with local politicians to discuss the needs of the community. They would often fight hard for the needs of the communities as the AM was held accountable to a large extent and would be replaced if their dealings with politicians was deemed unfit by the residents of that favela (Arias, 2006:428-430; Zaluar, 2000:654).

However, this changed towards the late 1980s. Once traffickers' dominance in the favelas began to thrive after a number of years of cocaine trafficking, a reported 240 community leaders were killed across 600 favelas (Barcellos, 2003:234). This led to a widespread drop in community members running for AM, with trafficker-supported leaders starting to play a more prominent role as AMs. This meant politicians were no longer dealing with community leaders, but traffickers (Arias, 2006:231). In turn, this changed the landscape of how politicians dealt with traffickers in the favelas and how the favelas were run.

Figure 3: Clientelism Network
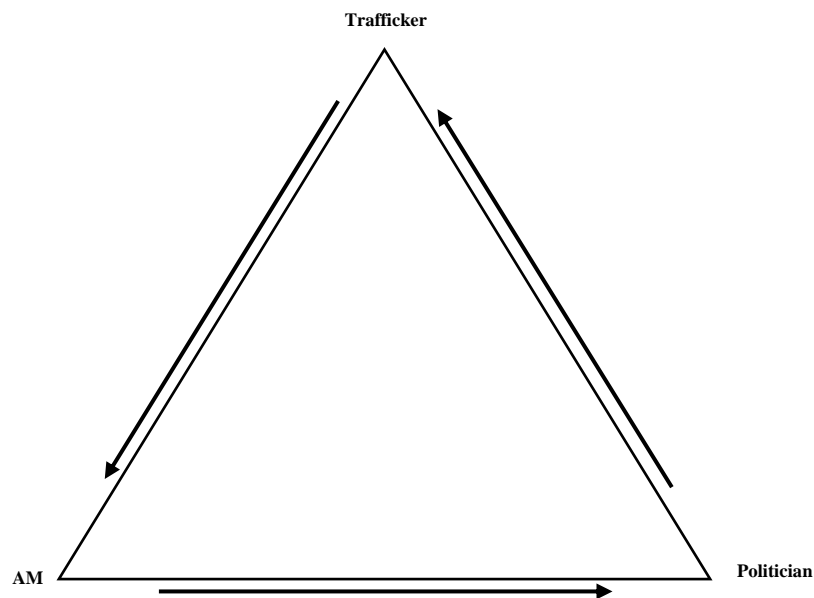
As Brazil had just re-established democracy, the democratic order had not yet been consolidated (Interview 2, 2018). Local politicians had to ensure votes for themselves, the problem was that in order to obtain votes, they needed assistance from the traffickers. Previously, the local politicians or a proxy would interact with the AM from each favela and then discuss what needed to be done. In delivering certain upgrades or projects, the AM would push residents to vote in a certain direction. By the 1990s, trafficker-appointed AM heads would negotiate with politicians, on both community-level issues as well as trafficker operations (Arias, 2006:298). Since politicians cannot legally interact with traffickers, the AM provides a legitimate way for traffickers to enter the political sphere, acting as a go-between (Arias, 2006:298).

It is these informal links between the traffickers, the politicians, and the AM that has led to the continued growth of trafficker organisations. Arias (2006), Leeds (1996), and Alvito (2001) provide an insight into how the clientelist operations function based on their field research inside a variety of favelas. The type of clientelist networks created by traffickers was done and sustained due to the specific needs of trafficker operations. These operations included activities such as importing narcotics, guns, selling narcotics, as well as armed patrols protecting their operations in and around the favelas. These types of operations are unsustainable in the long

run, even in a fragmented multiclass state, without the creation of links to legitimate groups within society. This is done by simultaneously creating a network with local politicians and the upper echelons of the population. This allows for the creation and sustainability of a space undermining the rule of law. In terms of favela residents, a double system of patronage relationships exists where both the state and traffickers seek to be providers.

Traffickers can claim for themselves the actions of politicians to garner support from residents while the politicians get the vote. With the favela residents making up one third of Rio de Janeiro's population, their vote can make a significant impact on politics. Political brokers such as the AM provide a means for this to happen, despite the AM hardly being a transparent as an electoral process. The result is that the traffickers are seen as using resources for the community, and politicians get votes from the community, although this does not equate actual political support. Another salient aspect of the creation and support of parallel political system in the favelas was the interpersonal relationships with the traffickers. Grievances could be brought directly to traffickers and subsequently dealt with, while no politicians could guarantee such a service.

By the end of the 1990s and the early 2000s this structural clientelism[14] between the traffickers, the state and favela residents was heavily entrenched in Rio de Janeiro, indicating that criminality had been embedded into the political life. This indicates that there is a decreased likelihood that police reform, interventions, NGO assistance or more police would reduce the crime and violence inside the favelas. The politicians of Rio de Janeiro needed the traffickers to obtain votes, and the traffickers needed some degree of political help to protect their operations. As Arias (2006:435) puts it, 'Rio needs a degree of violence to function'. It should be noted that these systems of clientelism are not static but rather fluid, as they can fluctuate from one day to the next. One cannot say with conviction that all politicians in Rio de Janeiro partook in these relationships, nor can it be said about all traffickers (Interview 2, 2018; Interview 4, 2018).

If the state possesses limited bureaucratic capacity, it directly impacts upon its reach into lower sections of society. When the state decentralised, it had to create a new bureaucratic structure which was by no means streamlined, but rather inflated. Without the ability to effectively reach

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[14] The idea that clientelism within the context applied is inherently built within the political system.

into society, it was unlikely that the state could change the perceptions of itself by favela residents and/or create a large enough presence to muster the support the state needed. Therefore, by forming informal agreements with traffickers through the AM, it could substitute the state's ability in obtaining the votes and the traffickers continue to operate. If the state needs another actor in order to penetrate society, it signifies the state's inability to gain or hold predominance.

4.3.2 Coercive Capacity Post-1984

While the traffickers took over the favelas in the 1980s, their ability to appeal to the residents for a better system of law and order was only helped by the police of Rio de Janeiro and Armed Forces of Brazil. The marginalised population group, who suffered the most due to the government economic policies and excessive police brutality, were caught between a government which historically had left them behind and abused or an alternate system which provided protection, financial incentives and a way for them to survive.

In the previous chapter there was a brief discussion of the role the military police and civil police play in dealing with crime in Brazil and particularly Rio de Janeiro. While the military police are called into action when there is an ongoing crime, civil police are contacted when a crime has been committed. However, there is another security actor that requires special mention: BOPE. *Batalhã de Operaçõ Policias Especiais,* or Special Police Operations Battalion are infamous in Brazil today. Assembled in 1978, they are a special branch of the police, receiving the best training and significantly more lethal armaments. They are usually called in for prison riots, or in Rio de Janeiro's case, to curb large-scale violence in the favelas; their symbol is a human skull with a knife entering from the top, covering a pair of cross pistols. During 1980s and early 1990s, the state did not have the ability to spend significant amounts on public security. Poor wages for lower level police officials, civil and military alike, often caused them to take on second jobs in order to survive and look after their family. In addition, the training the officers received was also inadequate to deal with the growing armed threat inside of the favelas (Cano, 2006).

By having a security outfit like BOPE, it showed that the coercive capacity of Brazil was by no means non-existent, but without adequate funding their ability to deter criminal elements as well as challenges to the state becomes insufficient. BOPE are by no means an arresting branch of the police. Being highly trained, it is unlikely that traffickers would tackle them head on, as

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BOPE to some degree is the 'legitimate' death squad of the police force. They shoot to kill in their operations, except when backing up police operations, in which case the aim is to secure an arrest (Interview 2, 2018).

As a police force, the military police, the civil police and even BOPE (they had limited access as well) did not have a first-class supply of weaponry to deal with the growing trafficker organisations and their arsenal in the favelas (prior to 1994). By 1988, the traffickers in the favelas began to sport semi-automatic rifles, something not even BOPE had in excess, as they were limited to one semi-automatic rifle per battalion and each officer had a handgun (Barbassa, 2015:27). This is a very different picture compared to Brazil in 2018, as when walking in the streets it is not uncommon to see members of the military police each sporting an assault rifle, handgun, and tactical gear, usually patrolling in groups of four. The traffickers began to acquire increased fiscal capacity which allowed for greater arms, recruitment, and territory. The police were vastly underprepared to deal with this. However, this all changed in 1994. The lack of police preparedness was due to the lack of fiscal and bureaucratic capacity by the state and how provinces would receive funds. During this period, one saw a marked increase in crime, specifically because of the rapid nature of police policy changes starting in 1982.

4.3.3 The Pendulum Swing of Coercive Capacity

In a post-dictatorship environment, one would want to deter from previous polices, in this case it was the militaristic nature of the police force, including brutality. Unfortunately, the change in policy by several new leaders in Rio de Janeiro affected the province in two ways. Firstly, the constant changing of police policies allowed for traffickers to expand during this process. Secondly, the hard-line police policy of 1994 would solidify the police of Rio de Janeiro as merely another violent actor that residents of the favelas face. From a predominance perspective, all these changes did was push favela residents away from trust of the state, by extension of the police force. In 1982, as the dictatorship was easing up and local elections began to take place, a fierce critic of the military regime, Leonel Brizóla, won the governor election in Rio de Janeiro. He wanted to change the face of the police, making them far more accountable for their actions, or as Gay (2014:2) puts it, less of 'rogue force'.

Graph 4: Homicide Rate Per 100 000
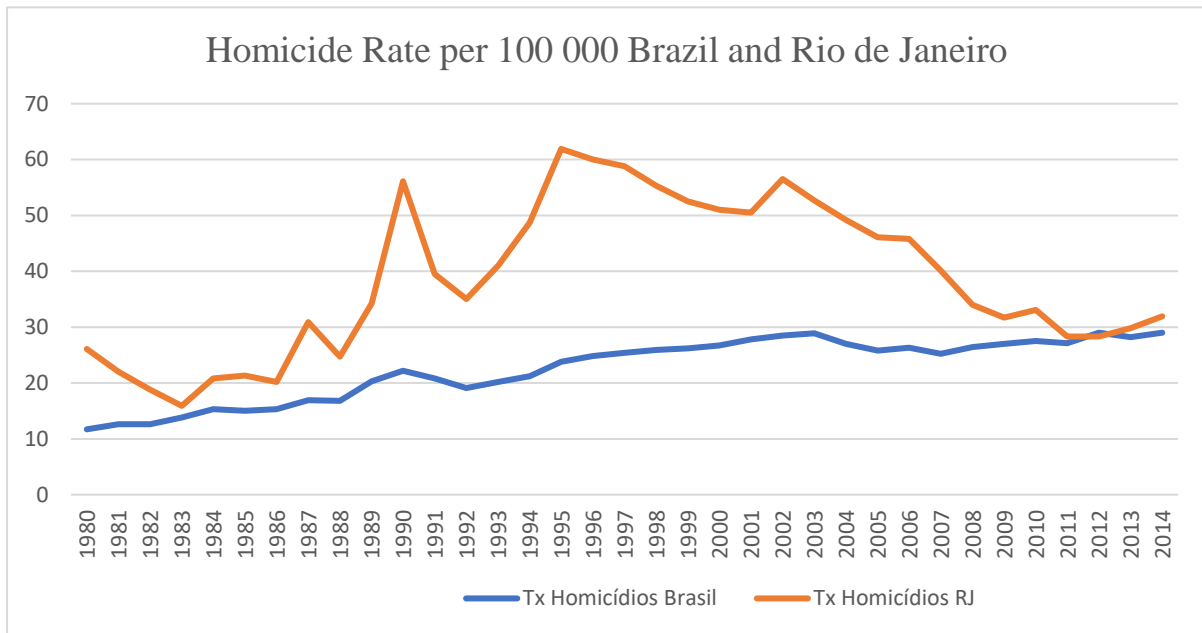
Graph Supplied by Interview 1 (2018) as part of their ongoing Think Tank research

Not too long after however, Brizóla was blamed for being too lenient on crime and helping in creating growth conditions for the Red Command and future groups. Around the time of his policy, you began to see a mixed and then upward trend of homicides in Rio de Janeiro, albeit nothing compared to the later years (Gay, 2014:29; Mourão, Lemgruber, Musumeci & Ramos, 2016:11; da Silva, 2000:128). Brizóla's successor, Wellington Moreira Franco won the governor election in 1987 by promising to end the crime and violence in 6 months. He took a different approach, allowing for the easing of justification for killing a criminal. Police officers were able to kill criminals they encountered with far less repercussion than before or rather the justification to kill a suspect broadened substantially. While the splintering of the Red Command played a role in homicide rates, so did unleashing the military police. By the end of his term four years later, crime and violence had only increased, and Brizóla was elected again as governor. He went back to his more restrictive policing policies, and by 1992, crime and violence began to escalate again. When he resigned in 1994 to run for president of Brazil, he was given the nickname *the evildoer of Rio* by the citizens of Rio de Janeiro (da Silva, 2000:128; Gay, 2014:29).

1994 marked a key point in the relations between favela residents and the police, not to the same degree of the forced removals in the 1970s, but salient, nonetheless. Around this time the

economy finally began to fall back into place, inflation had been brought down to reasonable levels, and things were looking up for Brazil. However, the new governor of Rio de Janeiro, Marcello Alencar would be the catalyst for much of the violence you see in Rio de Janeiro even today. By 1993 the homicide rate in Rio de Janeiro was 41 per 100 000, and when elected in 1994, Alencar dissolved Brizóla's policing programs and brought in a Brazilian Armed Forces general to take over police operations in Rio de Janeiro (da Silva, 2010:128; Mourão, Lemgruber, Musumeci & Ramos, 2016:11; Interview 1, 2018; Interview 2, 2018).

The policy created by Alencar changed the nature of the police from 1994 to 1998, where an investigation by the legislative body of the state in 1997 ended it. The police remilitarised, characterised by a shoot first, ask questions later mentality. The military police were issued semi-automatic rifles, rewards for bravery (number of bodies accumulated) and subsequently became known as the most lethal police force on the planet. To put it into perspective, the number of suspects reported being killed prior to the policy was averaged at 16 a month, after 1994 it became 32. In an investigation in 1997, it was discovered that 64% of civilian deaths (guilty or not) by police had been by execution or a shot in the back, and 83% of cases had no witnesses (da Silva, 2000:129; Barbassa, 2015:29). The police force were considered violent actors to the favela residents in the dictatorship, which the return to democracy was meant to change. However, what happened was a return to the same militarised characteristics and one can see the subsequent continuation of this mentality today. By no means did police brutality or lethality indicate that they were a competent coercive force, and the state began to make use of the military, albeit not to the degree one sees today. The changes during this period pushed favela residents even further away, while simultaneously creating recruitment incentives[15] for traffickers.

4.3.4 The First Use of the Armed Forces in the Favelas
The use of the Armed Forces, an entity which is not taught to capture criminals but rather shoot to kill, started a chain of events which can still be seen today. The military were used in two operations previously, one for the metal workers union in 1988 and then 1992 for a global environmental summit for security. The general success of these two operations led to the perception that the armed forces could be used outside of their usual operational capacity. For one to understand why Brazil's security forces have developed into what you see today, as well

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[15] In some cases the death of an innocent/guilty member of the community could drive individuals to join the traffickers for revenge. While this is not the majority of cases, it does assist.

as how each state within Brazil deals with crime, the 1988 constitution is a good starting point. The manner in which it changed in 1988 defined the way provinces within Brazil could combat crime and deter any challenge to the state, specifically – each province was now in charge of how the police should be run. The 1988 Constitution changed the dynamics of security in Brazil, bringing forward a degree of restructuring alongside a definition of 'public security'. A key change was that it outlined who oversees public security, as during the dictatorship, security was highly centralised, with the Armed Forces being in charge of all security measures. The constitution of 1988 states that '[p]ublic security, the duty of the State and the right and responsibility for all, is exercised *to preserve public order and the safety of persons and property* […]', (Constitution 1988 BR, 2010) where it also defined who would be in charge of what forces. At the federal level, the following types of law enforcement exist: highway police, railway police, and the federal police, with the federal police investigating crimes related to government and corruption (Interview 1, 2018; Interview 2, 2018).

At the local level, each province has the following that it oversees and has the ability to use them as they are required. This includes the civil police, the military police and the military fire brigade, with the military fire brigade being used for firefighting and search and rescue (Constitution 1988 BR 3rd ed. 2010, art 144). Now that states were overseeing their own fiscal resources, they could curb crime based on their needs. As noted above however, during this period there would often be budgetary issues when it came to the transfer of capital to each state, which would impact upon policing in the way of insufficient resources. At this stage however the use of the Armed Forces was still isolated to protecting Brazil from external threats. This did not stop them from assisting in police operations when the need arises, however the Brazilian Armed forces would report to the police.

In 1999, a complimentary law was passed to examine the usability of the Brazilian Armed Forces. It granted the use of the Armed Forces for public use, however only as a last resort.

The activation of the Armed Forces to guarantee law and order, on the initiative of any of the constitutional powers, will occur […] once the instruments intended for the preservation of public order and of the safety of persons and patrimony, as related in art. 144 of the Federal Constitution have been exhausted (Lei Complementar no. 97, art. 15 para.1).[16]

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[16] Samset (2014:11) notes, there is no clear indication of what 'exhausted' means, an issue that will be addressed further down and in the following chapter.

The year 1994 marked two major events for the security forces of Brazil and Rio de Janeiro. One, the first use of the military within the favelas for Operation Rio and two, the promotion and reward of killing criminals by police officers. Operation Rio was the result of the out-of-control levels of crime and violence in Rio de Janeiro. Operation Rio was a combined initiative making use of the personnel of the Armed Forces, but accompanied by police officers, with their key operation being to block trafficking points in the favelas and create a repressive presence. By early 1995 it shifted to merely patrolling main roads, and then at the end of 1995, Operation Rio was no more. Much like most operations that followed, Operation Rio did not disarm the favelas nor stop drug trafficking while crime rates remained high, and what followed was an investigation into abuse by the military (Samset, 2014:11), a trend that continues to this day. Thus, while Brazil has the military numbers, it is only half of what makes up its coercive capacity. Without an effectively trained or organised force in conjunction with limited bureaucratic capacity, Rio de Janeiro was unlikely to make any strong strides in limiting the traffickers in the favelas.

Both the intervention and police policy, contrasting their intentions, did not help the crime and violence in the favelas. This can be seen in 1995 with the homicide rate reaching 61.9 per 100 000 and in 1996 it was 60 per 100 000. This policy, albeit its four-year life span changed the dynamics of the Rio de Janeiro police force. It became a police force that to some degree mirrors the dictatorship and worsened the already strained relationships between favela residents and the police. As police brutality became an increasing factor in the life of favela residents, it only increased the perception of the police force as another actor that threatened their own safety rather than a protector. This only led to a reinforcing of the residents to abide by the law and order provided by the traffickers operating in the favelas.

4.4 Predominance, Growth of Private Spheres of Power and Survival

4.4.1 Red Command, Rivals and Organisational Structure

The explanation of the organisational structure provides two salient points. One, that the structure became highly bureaucratic in nature, allowing for stronger operational capacity thus allowing for easier growth within all areas of strength and capacity. Second, exploring the organisational structure also demonstrates the monetary incentives, even at lower levels of the organisation, which favela residents can obtain versus what the limited resources are supplied by the state. While the political entrenchment of traffickers in the favelas, and mismatched government policing policy saw the growth of trafficker groups, it was the increasing creation

of several rival trafficking organisations that led to the need to grow in strength and capacity by existing groups. Financial competition, and a threat that abided by no rules, (such as the state, to some degree), caused the Red Command and other organisations to utilise their fiscal capacity to grow a streamlined bureaucratic system within their organisation.

As mentioned in the previous chapter, the cocaine trade was an exceptionally profitable business. Even though the market value of cocaine in Brazil is markedly less than in other Latin American states, the quantity seized by police in the 1990s outlines a multimillion-dollar industry; others started to take note (Leeds, 1996:57). By the late 1980s the Red Command splintered, creating two rival organisation that still operate today, *Terceiro Comando* or Third Command (TC), and *Amigos dos Amigos* or Friends of Friends (ADA), the latter splintering off in the mid-1990s. From the homicide figures, one can see that at around the time of the splintering of the Red Command, Rio de Janeiro's homicide rate went up dramatically. The homicide rate began to rise, finding itself ascending due to the increase of turf wars between rival organisations (Peterke, 2010:168). While these naturally are not the only organised criminal groups that operate inside of Rio de Janeiro, they are the most salient. Smaller groups often are unable to survive long due to the lack of capacity and are unlikely to be able to rival the three salient groups mentioned (Interview 1, 2018; Interview 2, 2018).

Despite the presence of the other groups in the mid-1990s, the police still focused their efforts in tackling the Red Command, which in itself created more violence. By creating power vacuums when removing Red Command bosses or drug operations, the police allowed for the AMA or the Third Command to take over. This would often lead to increased violence between the Red Command and the ADA and Third Command, resulting in an increase of favela residents being caught in the crossfire (Cano & Ribeiro, 2016:366). This also increased the threat faced by the Red Command, as well as the AMA and Third Command when trying to expand, leading to increased militarisation of the organisations.

As trafficker control over the favelas increased, the diversification of traffickers began to spread. It has often been pointed out that this fracturing has led to a constant state of war between rival trafficker organisations, militias and state security forces, with favela residents caught in the middle. The increased threat by rival organisations promoted a further militarisation of armed groups, and as some favelas were located close to the airport or harbour, there was ample opportunity to obtain an increasing amount of armaments. This also led to

greater protection strategies such as the use of scouts and the incorporation of radios and walkie-talkies. Management and administrative structures of the traffickers, began to formalise as well as the expansion of recruits, where children were now allowed to be recruited as armed fighters (Dowdney, 2003:33). The growing fiscal capacity, coupled with a growing threat, motivated traffickers for increased recruitment to grow a strong bureaucratic organisation which further increased the coercive capacity.

Most scholars agree that each organisation and favela operated slightly different. However, some elements remain constant throughout each organisation. The upper levels are run by *donos* (with the identity rarely known), where this individual may be running the operation from prison or in his own home usually inside the favelas. While multiple *donos* can exist within one organisation, they operate on the same hierarchal level and tend to set the rules of game for that particular favela. Below the *dono* is the *gerente geral,* who is the *dono's* general manager, overseeing day-to-day operations over the drug trade and reports to the *dono* about everything that goes on. *Sub-gerentes* are the under managers who are responsible for individuals' operations, such as *gerente de preto,* which oversees the marijuana operation; the *gerente de branco,* who manages the cocaine operation; and the *gerente soldados* are responsible for security of the favela and the organisation of the soldiers or *soldados.* Below the sub-managers exist the *gerente de boca*, who oversee the sales points of marijuana or cocaine and will receive a commission from sales (Dowdney, 2003:49).

Soldados are armed soldiers that defend the community, sales points and are sent to take over territory, where up to 500 *soldado* can exist in a single favela depending on the size. The *fiel* are the personal armed security for management; the *vapor* is an individual who sells cocaine or marijuana; the *olheiros* are the lookouts that are situated all over the favela and finally the *endolador* is an individual who packages the drugs into small bags to use for distribution. The organisational structure at the local level will differ based on quantity of sales, favela size, leadership style of the *dono* as well as location to hostile or friendly favelas. The likelihood of an attack by a rival organisation will depend on these factors (Dowdney, 2003:49).

The creation of a strong organisational structure would have only made it significantly more difficult for the state to disrupt operations or exert influence within trafficker-controlled territory. This can be seen if you start to examine the number of favela residents who work for the traffickers. As the operations expanded, so did recruitment. From the description of the

trafficker organisational roles above, and using information from around 1999-2001, *soldados* could make US$1000 a month and even *olheiros* could make US$20 a day, with the latter often being children. The payment incentives for children would have most likely deterred school enrolment, further limiting their ability to obtain the 'middle class life'. Based on these figures, it is not difficult to understand why police officers, who in some cases live in favelas run by traffickers, would be persuaded to look the other way, or to be on a payroll (Interview 1, 2018). If one examines earnings of military police officers in 2014, a low-ranking officer would earn around US$780 a month. That salary comes with a higher chance of being killed on top of still being unable to live outside of a favela, a contrast to an officer on the payroll who would be seen as an ally, thus less likely to be shot and take home far more in terms of income (Parkin, 2014).

Figure 4: Most Common Organisational Structure of Trafficking Groups
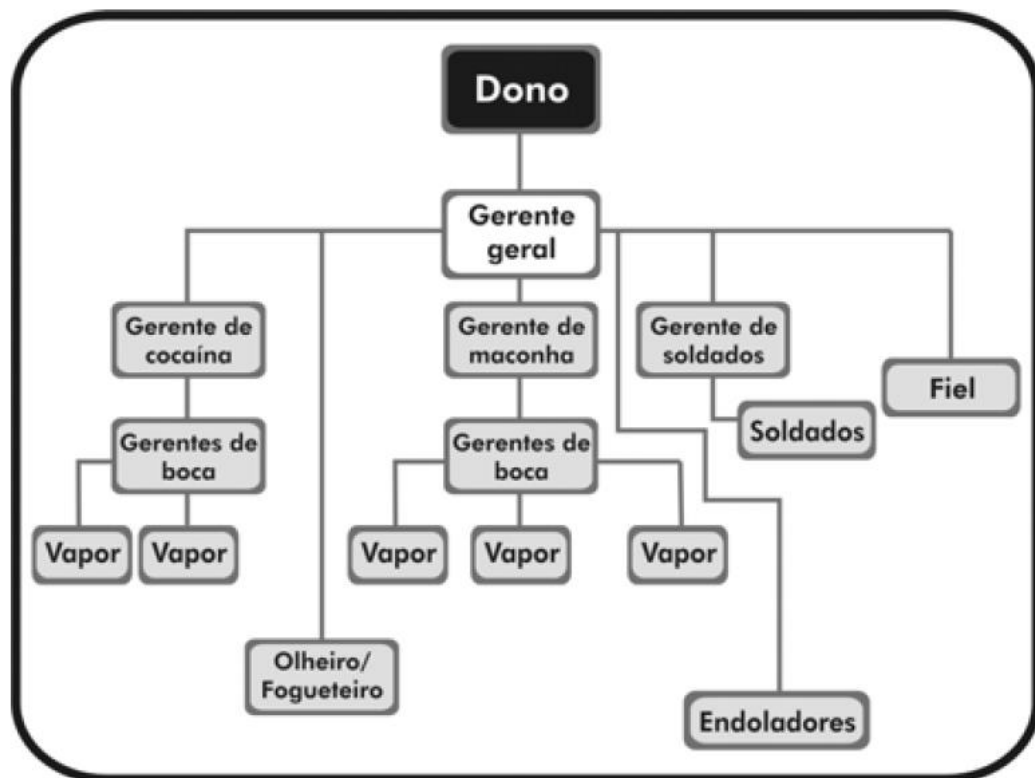
Taken from Dowdney's (2003:49) *Children of the Drug Trade*

4.4.2 Predominance in the Favelas

The presence and operations of traffickers within the favelas changed the landscape of the law and order within the favelas as well as general living standards. Favelas in which traffickers supplied, regulated just law and order, as well as general living improvements, the state became less of a presence, albeit minimal to begin with. In Arias's (2006) study he examined the inner workings of three favelas in the 1990s, in which his findings demonstrated an environment of criminality which was tolerated. It provided a far more regular basis of assistance than the state. It should be noted however, that not all favelas are the same; who controls that favela depends on what the community gets out of it. In one community, electricity is provided by traffickers, where in another, the relationship is characterised by pure exploitation and assistance from community members thriving on fear and violence (Interview 3, 2018; Interview 4, 2018).

The state's presence in the favelas was erratic and limited, and despite fear by some residents, the traffickers provide a regular system of support to the community. This support could be loans, funeral cover, school supplies, electricity, employment, security (the most salient service by the state) and even parties for morale; despite this life being forced upon residents, some see it as a clear alternative to the state (Arias, 2006:432-433). However, it should be reiterated that not all favelas are provided the same level of support from traffickers, as increased despotic rule from a trafficker boss in a particular favela changes the way the traffickers interact with the community. Control over a favela is by no means static either; violent conflict over territory, or a change in leadership or territory alters the life of favela residents. In favelas where traffickers would offer a medium to large degree of services, it sends a message to favela residents that the state will not provide, so they will. As this continues, the state becomes increasingly less relevant to residents and trafficker's social currency, as outlined by Migdal, increases. It is through this process, amongst others, that the traffickers challenge the state's predominance.

The contrast between the type of trafficker leadership becomes apparent when it has been noted that thousands of residents appeared to the funeral to show respects for a trafficker boss when he was killed due to his active support for the community (Interview 3, 2018). Leeds (1996:60) mentions a similar situation in 1987, where another trafficker boss that was killed after an attempted prison escape. Two weeks later, a music record honouring him was produced, and an unsuccessful attempt to get a statue erected in a public square in the favela. However, in the context of a trafficker boss who ruled the favela with an iron fist and provided very little for

residents, his funeral would have little support. It is this contrast of favelas and their rule which creates the incongruence amongst law makers, academics, and politicians in terms of the degree to which the traffickers play a role in the enrichment of the favelas (Interview 1, 2018; Interview 2, 2018; Interview 3, 2018).

An example set out by Leeds (1996:49) to describe the level of power that some traffickers have over residents is shown by protests in the late 1980s. *Rocinha*, one of the biggest favelas in Rio de Janeiro, residents came out in violence against the middle-class surrounding areas, which the AM described as a peaceful demonstration against police brutality. It turned violent after heavy-handed police intervention, however unofficial reports explain that the protest started as response to the capture and arrest of the favela boss. Again, unofficially, it was reported that the violence only stopped when the favela boss issued a decree from his prison cell to end the violence. If the unofficial reports are true, it demonstrates the influence wielded by favela bosses, even from within the prison walls. It also signifies that residents are willing to listen to an alternate set of 'rules of the game' other than that of the state. If the rules of the game are being challenged, it would indicate that the traffickers have obtained enough social currency that they have achieved some level of legitimacy in the eyes of the residents while the state's level of legitimacy has decreased. It should be noted that in another case in which a leader was not admired by residents, this type of demonstration and obedience would have been unlikely.

As Rotberg notes, when the state can no longer provide the fundamental service of security, citizens will turn to alternate source. As traffickers created their own justice system inside of the favelas, rape, robbery, break-ins, domestic and child abuse, innocent murders and other crimes dropped significantly. With general security to citizens being provided by traffickers, one that the state could not substitute, it is no surprise that the police were in some sense seen as a counter to this, based on historical actions as well as present. The remilitarisation of the police and entering of the military in 1994 did not instil in the hearts of the citizens that the state was their protector. After investigations of human rights abuses, excessive force and innocent killings, the state had become another actor of violence in the lives of the favela residents.

At that time the residents had a choice between two evils, the state or the traffickers, however the traffickers were viewed as the lesser (Interview 2, 2018). The political nature of the favelas

and the general lack of capacity and infrastructural power by the state to penetrate into these areas ties into the work of Guillermo O'Donnell again and his idea of brown areas. The lack of a state presence as well as an historic marginalisation has allowed for the creation of parallel structures of political power (Goldstein, 2003:200). This creation of a state alternative and its continued growth in fiscal, bureaucratic and coercive capacity only entrenched it further into the systems of the favelas. This in turns shows that its legitimacy as an alternate to the state is viable and strong, further removing the state's ability to penetrate these segments of society.

From 1985 the state became increasingly eroded from favela life as traffickers entrenched themselves into the political spheres of Rio de Janeiro, which solidified their operations. If one examines Joel Migdal's idea that one can assume predominance when you create the rules of the game, it is exactly what the traffickers did towards and in 1990s. By creating their own justice system inside the favelas, they provided what Rotberg refers to as the foundation of a strong state: security to favela residents, as well as infrastructure, employment and general rule of law that could not be touched by the Brazilian state, although it tried. As representatives of the state, the police are considered a 'threat' and a large number are paid off by traffickers. This combination provides little way or form for the state to penetrate the favelas, let alone implemented policy without trafficker approval.

Here one can also see Grynkewich's (2008:353) work on welfare as a weapon by non-state actors. As traffickers began to provide an increased level of services to favela residents, it undermined the role of the state and thus delegitimises them. With that comes an increased alternative loyalty stream for residents to pursue. In addition, if one examines Migdal's three tier system of predominance, the traffickers gained legitimacy, the highest level of social currency and indicator of predominance, while the states descended. If you examine all three aspects of social currency, the traffickers were by no means short. At the lowest point, you have *compliance*, which is dependent on who owns the police; however, the traffickers had many police officers on their payroll, as well as their own soldiers and justice system, which emphasised this even more.

If you move up a level one reaches *participation*, in which citizens are used to expand the presence of the state, whereas traffickers grew in operation numbers so did employees which in turn helped them grow and create a larger system for them to operate. Finally, *legitimacy* had been achieved to some degree, as the traffickers now created the rules of the game, a salient

component of predominance. In 1987, the *Ordem dos Advogados do Brasil, or* the Order of Attorneys of Brazil (OAB), Brazil's equivalent of the BAR association, carried out a survey in the favelas and found that 56% of residents preferred alternate channels of conflict resolutions, as opposed to 20% who preferred to follow procedure of reporting to the police and an investigation be carried out, while 24% expressed no difference. The OAB noted that alternate channels meant trafficker law, which could be execution, expulsion from a favela, shooting the thief's hand or temporary banning from certain areas of the favelas (OAB, 1987:62).

4.5 Conclusion

Coming out of a dictatorship and severe financial woes, Brazil had to create an environment for sustained democracy, while having to counter the rising inflation rates. The historically marginalised residents of the favela did not find a better way of life, as the government failed to curb inflation for the first nine years, followed by severe budget cuts. During high periods of inflation, inequality does rise but it is dependent on its longevity. For exceptionally long periods like in Brazil's case, those in poverty suffer the most. The population group that experienced the most persecution by the dictatorial government did not experience a rapid shift in state attention or relations by the new democratic government. The flip-flopping police policies enacted between 1982 and 1994 did nothing to help the growing strength of traffickers, where the extended soft policies were claimed to have allowed traffickers to grow in strength. At the same time, as more organisations began to appear, it gave traffickers another actor to protect itself against, causing the creation of a tight fit bureaucratic organisation.

After 1994, with the first joint military and police intervention proving to be unsuccessful, coupled with a large number of violations, the police had once again been deemed militarised. This culture created by the policy, or rather extended from the dictatorship, is still evident in Rio de Janeiro today, and whether it be heavy-handed interventions or having a lack of accountability for police. While the state was fumbling economic policies, traffickers began to grow in size and strength, being able to provide substantially more resources to favela residents than the state's erratic presence. As the traffickers began to grow, they also realised the necessity of having a degree of political protection which was done by taking over the AM and appointing their own leaders. As politicians now had to be voted in, and with one third of the city living in favelas, the AM now linked to traffickers had significant repercussions.

The entrenchment of parallel political structures inside the favelas only further solidified the idea that the state was not a present entity, and when they were, it was represented by a heavy-handed police force. Creating their own set of rules – or rather rules of the game – the traffickers had themselves achieved a level of predominance. Even a majority of residents felt that dealing with an issue through traffickers was easier than going to the police. The state's predominance over the favelas dwindled as despite lack of presence, it was to some degree unwanted, where even the rule of law enacted by the state no longer applied into favelas. Compliance was no longer only dominated by the state as traffickers had their own enforces as well as the police. Participation growth was the result of poor opportunities provided by the state, which in turn helped the trafficker grow by filling this gap.

The idea of predominance is further demonstrated by the fact that through the trafficker's entry into the political realm. The creation of an alternate rule of the law to the state and to some degree a level of acceptance by favela residents that this system is superior, the traffickers had gained the top tier of Migdal's social currency: legitimacy. It is under these conditions that solidified the presence of the traffickers inside the favelas, gaining strength over the years into what one can see today. However, this does not mean the state simply stood back and let it happen. Numerous interventions would be carried out from 2000 onward, and eventually lead the state to exhaust all options and utilise the military in 2017/2018.

Chapter 5: Militias, Corruption and The State's Attempt to Regain Predominance, 2001-2018

5.1 Introduction

The previous two chapters have explored the context in which the trafficking groups achieved levels of predominance within the favelas in Rio de Janeiro. While the state has to some degree attempted to regain it, there has not been any significant success. This is what this chapter seeks to explore: how the state tried to regain predominance and what the effects of this was. It is because of this that the structure of the chapter will deviate slightly from the previous chapters. The chapter begins by examining a new actor: the militias. While the militias were once seen as the saviours of the favelas and surrounding areas, they evolved into an organisation that rivalled the traffickers in terms of impact. After a number of brutal killings, the militias were branded as enemies by the state but still continue to operate relatively untouched due to their illicit link to various government branches, specifically the police.

Once the militias have been explored, the next section of the chapter deals with the Lula Presidency and the social development that was promoted during his term. This section will explore how the social development impacted upon crime and violence within the favelas, as well as looking at the impact of predominance. During his presidency, crime and violence dropped in the context of a growing economy and development programs for the poor. While Lula set a foundation for a stable economy and for social spending, his successors could not make the same claim. Under Dilma and Temer's regimes the economy flat-lined, corruption came to the forefront of Brazilian politics and social spending and security budgets were cut dramatically. Predominance began to slip once more, despite its slight growth under Lula.

This is followed by the exploration of the state and their new attempt to fight traffickers and improve state societal relations. It explores two key interventions that were implemented from 2001, the GPAE and the UPP. UPP is discussed in more depth as it is the longest running state intervention program and saw initial success from 2008 till 2013. Budget cuts, corruption and police brutality ultimately led to its downfall. Despite this, the UPP still operates today, but with little to no results. Traffickers' response to the state's softer intervention approach is also explored, indicating that despite the strong effort by the state, the traffickers still held significant control over the favelas. Their blatant disregard for the state also came to the

forefront, with the state being humiliated by a number of events carried out by traffickers over the years of the UPP and beyond.

The final sections of this chapter explore the most recent intervention in 2017/2018, which came as a response to the growing homicide rates in Rio de Janeiro, but more importantly, to garner votes in the 2018 elections. Historically, security has been an easy vote gain for politicians and sending in the armed forces would send a strong message, albeit not to the residents in the favelas. The intervention allowed for full control of public security by the Armed Forces. Ultimately the intervention failed despite the image of success being pushed by the Temer regime. While homicide rates saw a decrease, police killings increased dramatically, something that has always been a barrier to positive relations between the state and favela residents. With human rights abuses being reported, and the ultimate failure in keeping civilians secure from trafficker violence (whilst entrenching the state further into the realms of another enemy to the people) the future of predominance by the state in Brazil will most likely, especially in brown areas, continue to decline.

5.2 Militias: Expansion of Brown Areas and the Anomaly of a Semi-State Actor

5.2.1 Who Are the Militias?

The term militia was devised in 2006 to describe corrupt law enforcement officials who, under the illusion of 'liberating' favelas from traffickers, would extort local businesses and residents through protection taxes. While they were predominantly confined to the favelas, in the last few years they have expanded beyond this to some middle-class areas, but on a larger scale than protection rackets. The idea of the militias is by no means new to Rio de Janeiro, as police assaults on traffickers in ways of corruption or police death squads would often lead to the removal of traffickers from favelas. The term militia was given to these groups in 2006 due to their rapid expansion and operations to take over the favelas from the traffickers. It was also during this time that militias began to move beyond protection taxes, whereby they would create monopolies on commodities and services for favela residents. Cable television, electricity, gas and water would be fundamentally controlled by the militias, creating additional living costs for those already living below their means (Cano & Ribeiro, 2016:367). Under the pretence of being liberators and those with a moral code, militias' coercive capacity, as well as their violent means, are their primary tool in obtaining command of favela residents. Despite this, the militias prior to 2008, were hailed as positive entities by the state (Interview 1, 2018; Interview 4, 2018).

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'In 2006 to 2008, considered the heyday of militia activity in the city, politicians – like then-mayor Cesar Maia – openly supported militias as "community self-defence" initiatives' (Gombata, 2014). This was the picture the government of Rio de Janeiro depicted of the militias for years (even before the militias received their name in 2006), allowing for their growth and expansion. However, this all changed in 2008.[17] The idea of militias can be traced back to the 1950s, however back then it was nothing more what one would consider a neighbourhood watch in a contemporary context (Interview 2, 2018). The catalyst to their growth into what one can see today began in the wake of the emergence and subsequent growth of the traffickers in Rio de Janeiro in the 1980s. From the 1980s until 2008 they were organisations that were tolerated and even supported by the state, despite the clear illegally-based activities, such as the open murder of criminals. The militias of the 1990s were made up of retired police officers as well as active but off duty civil and military police officers. Due to the increase in police deaths and the number of trafficker organisations expanding, they felt limited by the rule of the law and wanted to take matters into their own hands (Interview 1, 2018; Interview 3; 2018).

Criminals would be executed and the bodies disposed of or left to be found, with the state itself turning a blind eye as they were battling the same enemy themselves. In 2006, the militias would no longer merely go after criminals, but would also control areas as the traffickers did but in a very different manner. By now, the militias were no longer made up of retired and active police officers but also prison guards and fireman as these organisations began to grow. Militia members would become city councillors and members of the State Assembly, as prior to 2008, the state's connection to these groups was public knowledge (Interview 1, 2018; Interview 3, 2018; Cano & Ribeiro, 2016:368).

Favelas that were 'cleansed' by militias would be run with a sense of morality, at least at the start: no drugs, no prostitution, and no gambling was allowed. The moral aspect would decline as time went on however (Interview 1, 2018; Interview 3, 2018). The act of cleaning, or rather the removal of traffickers via homicide, would be precise and took place almost overnight, which Cano & Ribeiro (2016:368) suggest occurs as a result of the collusion of corrupt police officers on trafficker payroll moving on to other revenue streams. They made this assumption

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[17] Due to the lack of academic based articles in English that discuss the militia phenomenon in accurate detail, the sources for this section will primarily hail from newspaper articles, a recurring few journal articles and interviews from my own field work in Rio de Janeiro conducted in October/November 2018.

based on the idea that it would be unlikely that even crime intelligence would know the exact location of bosses and other higher-ranking members certain on nights of the week, including guard numbers and times. As trafficking groups began to expand, and along with the growth of crossfire deaths of residents, naturally residents preferred the militias to hold their area than the traffickers in order to avoid this. It is here once again, with the state being unable to provide the basic measure of political goods, security, that residents turned to an alternative actor for this provision. While the militias could not provide employment to the degree that the traffickers did, they did provide a level of safety and security for residents, but the modus operandi of the militias would slowly turn as the years went by (Interview 1, 2018; Interview 3, 2018). It is not uncommon today to see militias allowing drug sales in their districts from the very traffickers they were executing in the street some years prior (Interview 4, 2018; Cano & Ribeiro, 2016:368).

The turning point came on May 14th, 2008, when a journalist for the daily newspaper *O Dia,* along with her camera man and driver, were ambushed in their rented home in the favela known as *Batan*. The journalist and her team were in the area undercover to explore the context of the militia-run favela, which was supposed to be far safer than trafficker run favelas. They were wrong. The journalist and her team were held and tortured for six hours by six masked men, presumed to be militia that were unhappy with their presence (Barrionuevo, 2008). This was the wakeup call for politicians and the public. The State Assembly set up a commission of enquiry that led to the prosecution of hundreds of militia members and the expulsion of Assembly and City Council members who were part of the militia groups. While promoting the presence of a safer alternative to the traffickers, they themselves became as violent as the traffickers did whilst simultaneously imposing higher living costs for those in the favelas. Furthermore, it has been noted that traffickers have far more community engagement than the militias, creating a distant relationship (Interview 2, 2018; Interview 4, 2018).

As a community member one will only see the militia if they want you to or something goes wrong within the community. Traffickers (although not all) are accessible to residents to discuss disputes and other matters or queries (Interview 4, 2018). This would also naturally impact the levels of predominance the militias can ultimately acquire. Expulsions, torture, and summary executions became common practice for the militias to exert control. Despite the evolution of the militias into an entity which rival traffickers, if not worse, police operations

have simply ceased in areas that are under militia control (Cano & Ribeiro, 2016:386). More of this will be discussed below within the UPP section.

It is not to say that the police completely ignore the militias, however there is a softer strategy directed towards them. Despite this, it would appear that when the militias are involved in a very public incident, action seems to follow swiftly from the government. An example of this would be in late August 2008 when 17 gunmen entered the *Barbante* favela located in the western region of Rio de Janeiro, subsequently leaving seven favela residents dead. The men were dressed as 'typical' traffickers, with the motivation to create an atmosphere of panic in which they could offer assistance and take over the favela. It did the exact opposite. It also led to arrests of police officers and the son of a city councillor (Grudgings, 2008). It demonstrates that for day-to-day operations, the state tends to approach the militias in a far more relaxed fashion, however when there are blatant attacks on many innocent civilians, the state is forced to intervene.

In general, the difference in approach between the militias and the traffickers comes in two main forms. For one, the urgency to remove the traffickers is significantly higher than that for militia-controlled areas. There are constant operations to remove traffickers from favelas, however militia-controlled favelas see little intervention, and where there is, it is a half-hearted attempt. Second, heavy handed police interventions or shoot-first scenarios, do not take place in militia-controlled favelas (Interview 1, 2018; Interview 3; 2018). As Cano & Ribeiro (2016:386) describe, there is a stronger pull towards investigations than there is to the use of force, as they compare the investigations of militias to white collar crime investigations. This provides a strong contrast to how the state deals with traffickers.

The vilification of the militias by state officials came after the torture of the journalist and her crew impacted upon the militias public operations, but it did not stop them by any means. Killing of favela residents, albeit infrequently, still occurs, as well as favela take overs. The most infamous event in recent times, one that cast a global spotlight on the militias was the assassination of Rio de Janeiro Councilwoman Marielle Franco in 2018. Marielle Franco was outspoken against the militias (as well as the police) and would publicly criticise their actions and the organisation as a whole. The killing was masked by the police as an LGBT attack rather than a political one which also impacted upon the investigation. The LGBT attack theory has since been thrown out by the public, media and political leaders. What made this event so

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damaging to the public image of the police was that many news outlets claimed that there was no significant investigation taking place to find the perpetrators (France24, 2018). In 2019, this case has yet to lead anywhere. Militias still operate in many favelas, and as of recently (2013/2014-present), have moved into middle class regions within Rio de Janeiro. Even though the state publicly has distanced itself from the militias, there are still ties to some members of the Assembly, City Council as well as police units and higher-ranking members of the Rio de Janeiro's security force (Interview 2, 2018). This makes the militias somewhat of a semi-state actor, an entity that controls areas as its own, *endorsed illegally through some state officials (allowing for operations to be carried out unchecked) but ultimately present a threat to the overall functionality and legitimacy of the state.*

5.2.2 Predominance: An Outlier

The concept of the militias presents a change in the non-state actor relationships in Rio de Janeiro. While traffickers would have sought legitimacy through the provision of resources, security and employment, the militias do not need to do so. Traffickers, being an illegal non-state armed actor would need to do more in order to keep their activities away from law enforcement. They did this by making sure that residents, although not all, would garner enough resources to prevent them from going to the police. The militias have little worry for such things. In order to operate they do not need to acquire social currency, as they themselves are connected to the state and operate through coercive means with little repercussions unless it involves killing of innocents. Their 'legitimacy' comes from their links to the state (Interview 1, 2018), however it can by no means be considered Migdal's top tier of social currency. Rather, legitimacy is seen in the sense that rules are accepted by force because there is no alternative, or rather there is no entity to combat them, and thus, the creation of pre-sets rules the game. However, in Migdal's work, the militias can only be considered to have gained compliance, the bottom tier of social currency. Ultimately, they do not enjoy actual support such as participation and legitimacy as the militias provide nothing outside of the guise of being the protectors of the favelas, and are thus unlikely to attain legitimacy. In the case where militias would assist in, for example, schooling, infrastructure and employment, it would be likely they could move up in Migdal's ranks of social currency.

In trafficker run favelas, residents thus live in a system where they obtain resources, a primary one being security and a rule of law for their loyalty, albeit violence is still an active occurrence, which stands in contrast to the militias. The militia revenue is not distributed to favela residents

and militia-controlled areas are more expensive to live in due to the commodity and service monopoly. By no means does one advocate for the traffickers, as their presence creates violence through territory disputes and police confrontations. However, the militias have no need to supply resources as they are backed by powerful state forces, and therefore do not need loyalty from residents. The provision of Rotberg's key political good, security, comes at a significant cost to the individual and community in general (as with the traffickers), but outside of security, the community receives nothing else but high living costs. One can argue that the militias to some degree are still envisioned as a state entity to favela residents. A resident would see a militia member in civilian clothing the one day and then as an on-duty police officer the next. The argument can be made that the presence and brutality of the militias and obvious corrupt practices as state employees would make it harder for the state to gain the social currency necessary to remove the traffickers from power. When the militias began to take over favelas, it would have seemed an obvious choice between the militias and the traffickers. However, as time went by, the militias became equal if not worse than the traffickers, with both fronts leaving residents far worse off than before due to potential gun fights over control. It should be noted again that militias and traffickers have different 'management' styles, where you could find militias and traffickers being actual saviours of residents while others only make their lives worse. As an actor however, the militias have moved beyond the confines of the periphery, something the traffickers were unable to do, thus pushing the concept of brown areas outside of O'Donnell's original conception (Cano & Ribeiro, 2016:386).

5.2.3 The Expansion of Brown Areas

The brown areas of Rio de Janeiro were initially isolated to the favelas, but as the militias began to realise the opportunities that existed, they began to take over areas away from the favelas. These areas can by no means be called 'peripheral' as they exist within the formal city environment, with middle class workers inhabiting these locations. One interviewee noted that they lived in a militia-controlled area, *Realengo,* located in the west zone, and one does not notice unless someone does something against the militias rules of the area. Even then, one tends not to notice too often that they live in an area that is not controlled by the state in terms of rules and regulations. They did note that as with favelas, not all areas are run the same, applying to both traffickers and militias. The neighbourhood that the interviewee lived in can by no means be considered a favela and existed on the edge of the central and north zone of Rio de Janeiro (Interview 4, 2018). Those that I interviewed cautioned travelling to certain

suburbs due to the control of the militias, but made it very clear it was nothing close to walking into a trafficker-run favela.

The map below demonstrates a few areas of influence controlled by the militias, however this is by no means a comprehensive map but rather what information could be verified. The demarcated areas listed are by no means favelas, but rather urbanised middle-class areas. It is not to say the militias control every square kilometre of the demarcated areas, but have a presence within these regions.

Map 4: Militia Area of Influence
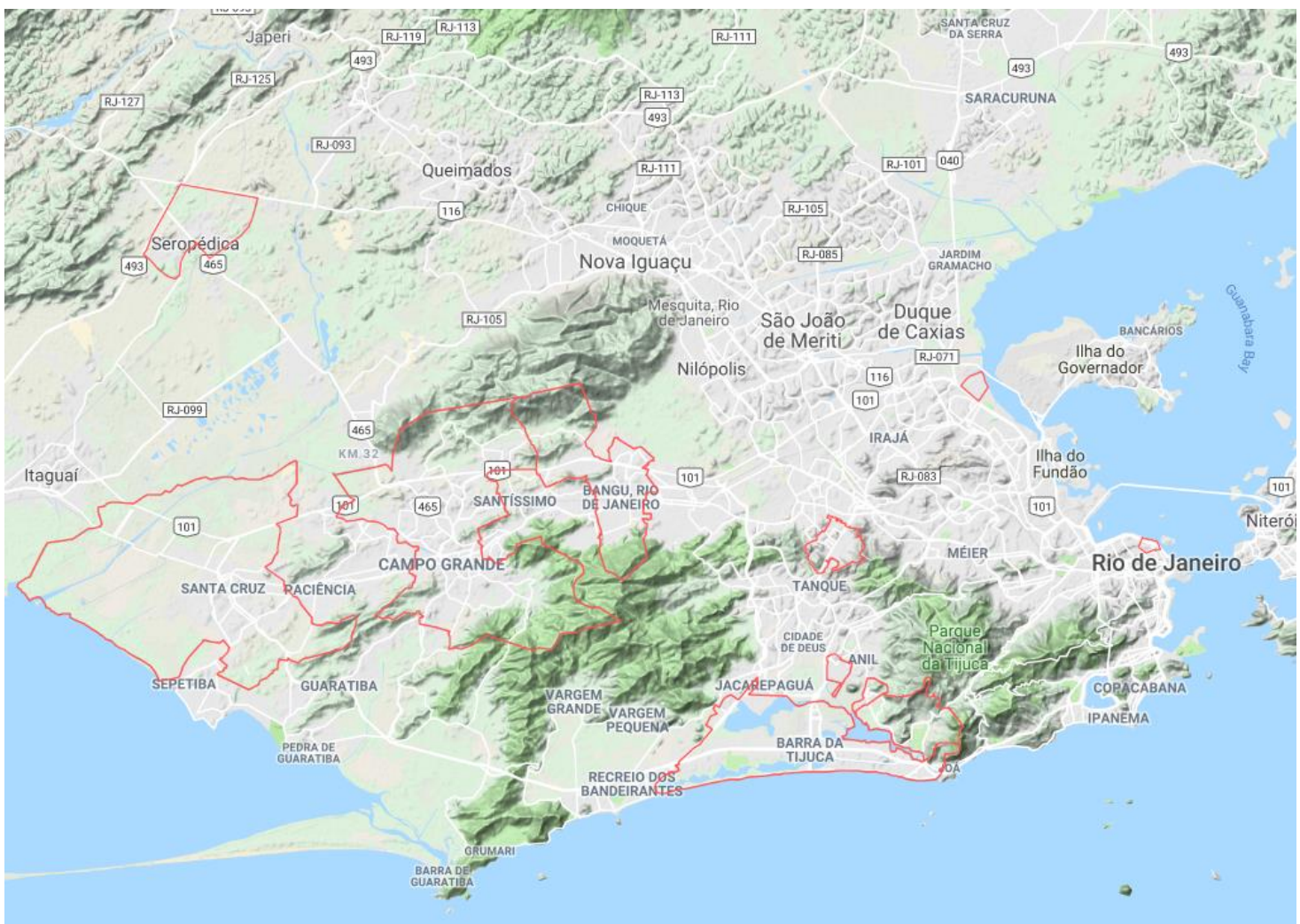
Data acquired through field work in Rio de Janeiro (Interview 1, 2018; Interview 4, 2018) and work by Simões, 2019 and Wheatley, 2019. Map created using Google Maps, My Maps function.

During the course of one of my interviews, an interviewee revealed real accounts of local militia groups operating in areas by no means considered a favela. For example, a group of

men, part of the militia, will knock on your door, only to have them explain that you will no longer be paying your landlord but directly to them which they would collect once a month. This includes a noticeable increase in monthly payments. Unable to pay the additional cost, people are often then forced to find new accommodation (Interview 1, 2018).

Here one can see how within Rio de Janeiro, brown areas had begun to expand, with the militias taking over whole areas and becoming the parallel political sphere of power that rivalled the state. Here one can see how the militias monopolised another service, rent and home ownership, with some even being involved in the transaction of property sales (Cano & Ribeiro, 2016). Many neighbourhoods such as *Campo Grande, Bangu, Gardenia, Santa Cruz* and many areas within the West Zone of Rio de Janeiro are controlled by militias. These areas are by no means favelas (Interview 1, 2018; Interview 4, 2018). From a brown area perspective, the militias are by all means a parallel sphere of power, but in terms of predominance, they have only ever achieved compliance and are unlikely to gain legitimacy unless they provide residents with a means of survival beyond protection. Despite this, it still threatens the predominance of the state. As an actor they have taken over middle class areas and the state is unable to remove them. While O'Donnell's work on brown areas is relevant to the case of Rio de Janeiro, the presence of militias in areas that are not considered the periphery expands the initial parameters of his work.

5.3 From Growth to Recession: The State's Loss of Coercive and Bureaucratic Capacity
The following section serves a number of purposes, with two salient points to be explored. First and foremost, it is to demonstrate the shift in fiscal capacity of the state over the years, and secondly, it is to demonstrate the state's attempt to reduce inequality and promote social spending, at least at first.

As discussed in Chapter 4, criminality is often linked with high levels of inequality. During the Lula era, social spending became a priority and even managed to reduce extreme poverty by the time his term was up. During the Lula presidency there was a decline in crime and violence not only in Brazil as a whole but also in Rio de Janeiro. The following section will explore the *Bolsa Familia* Program (BFP) under Lula and the knock effect on crime and violence within the broader discussion of fiscal capacity. One cannot assume that the decrease existed within a vacuum, however the BFP has been hailed as a policy which contributed to the decrease in

crime and violence by reducing inequality (Chioda, de Mello & Soares, 2012; Machado, Rodrigues, Rasella, Barreto & Araya, 2018). However, once Lula left power, the economy began to decline, reaching recession point in 2015 with budget cuts to social spending and security. This had a knock-on effect on the state's ability to fund public security and tackle traffickers. The examination of the three presidents post Cardoso (2003-2018), Lula, Dilma and Temer, is by no means comprehensive, but rather seeks to explore how changes in the state's fiscal capacity impacted on its coercive capacity.

5.3.1 Development of Fiscal Capacity
Lula

Luiz Inácio Lula da Silva (Lula) was elected in 2003 and to this day is still revered as the people's president despite corruption charges. The Lula government saw the austerity fiscal policies of the previous administration play out for their benefit, which included the promotion of social spending and the fine tuning of social programmes in Brazil. In October 2003, the Lula government passed the BFP, which combined a number of social programs instated by the previous Cardoso government in order to streamline the process of social programs and spending. It is for this reason despite the large number of corruption charges laid against the former president, he is still revered as the people's president today. While Brazil faced an initial GDP contraction, by 2004/2005 stable growth was being recorded. While Lula's economy presents no devastations, despite Brazil weathering the global financial crisis of 2008, what it is known for is its promotion of social spending, specifically the infamous *Bolsa Familia Program* (BFP) (Lindert, Linder, Hobbs & de la Brére, 2007:15).

Bolsa Familia

This section is by no means an attempt to show that BFP would remove the traffickers from power as their removal would require a multi facet approach. What it does show is that the state did attempt to provide a means of survival and that to some degree it decreased crime within and around favelas indicating that when residents are provided a means of living, they are less likely to turn to crime and violence. The UPP[18] program which was started in 2008 could have also aided the drop in crime in favelas, where in conjunction with the BFP it would reduce criminality in favela that saw BFP and UPP. This section also highlights that when the state does focus its resources when it has them, it can make a difference in brown areas.

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[18] A long term policing intervention strategy in the favelas - discussed below

While the problems and successes of the BFP extend far and wide, it is not the focus of this thesis, thus a brief overview of the program will be examined. The primary purpose of its exploration here is to examine what happens to the crime and violence levels in areas that are considered brown areas when the state begins to provide survival stages for its citizens. It should also be noted that while BFP's impact upon crime and violence has been documented, it has not been done so in Rio de Janeiro, at least in English. In short BFP is a conditional cash transfer program which a family can apply for if they meet certain requirements and adhere to rules such a adults in the house must be looking for a job and all children must go to school (Lindert, Linder, Hobbs & de la Brére, 2007:15). In Chapter 4 it was noted that there is a correlation between high levels of inequality and criminality, where the reduction of inequality was a salient purpose of the BFP. In Machado, Rodrigues, Rasella, Barreto & Araya (2018), they examined the change in homicide rates and hospitalisation from violence between 2004 and 2012 across Brazil. They noted that other variables can be at play such as change in security policy, economic growth, other socio-economic policies could have influenced the change in inequality. With this in mind, they do maintain that the BFP aided the reduction in inequality significantly, and when looking at the change in the homicide rates and hospitalisation rates.

By removing a significant portion of the population out of poverty and reduce inequality, it would have removed the desperate need to find a source of survival strategies, turning to alternate actors or turning to criminal activities. Based on their work, upon the implementation of the BFP at the end of 2003 to 2012, the nationwide homicides potentially prevented was 58 460. In the same vein, Chioda, de Mello & Soares (2012) examined the impact of BFP on urban crime in Sao Paulo. Sao Paulo like Rio de Janeiro has favelas, inequality and excessive violence and crime due to the presence of traffickers which is why the study is used as an example. Within their study it produced similar results as Machado, Rodrigues, Rasella, Barreto & Araya (2018): as the inequality rates of Sao Paulo went down, so did the homicide rates. They explain that poorer areas with schools close by found diminished crime rates as part of the program is that your children must attend school. Both studies, nationwide and within a specific city, found that by providing extreme poverty-stricken families with a basic means of survival its reduced crime within those areas. By forcing children to go to school, the BFP helped reduce the number of children on the streets that could be tempted to work for traffickers.

By no means does this program challenge the presence of the traffickers to the degree in which they operate as their organisations have been growing since the 1980's. For one, they supply narcotics to higher level income earners in Brazil, as well as transporting weapons and drugs out of Brazil. Therefore, by providing a basic means of survival to family living on or below the poverty line, it is unlikely to create a decrease trafficker operations. What it does display is what happens when the state begins to create the ability for those suffering to put food on the table, thus less likely to find alternate means of survival.

In terms of provision of survival mechanisms, the BFP was the largest attempt to assist extreme poverty and inequality in Brazil. Unfortunately, despite the beneficial changes it made, it still would not have been able to compete with the salaries traffickers would pay nor did it undermine the traffickers' ability to control the favelas. Regardless if the state is assisting the exceptionally poor, there are still private spheres of power that exist within their place of residence. It is likely, traffickers and militias, will still control the way residents interact with the state, even if its only compliance. As those in extreme poverty would have been aided to merely survive, those that for example do not qualify for the BFP that would still be struggling to find a means of survival, or even 'dreams of achieving the middle-class life'. In that scenario they would still be tempted to find alternate means of achieving their goals, which based on the proximity to traffickers would be tempting.

Dilma

Dilma Vana Roussouf (Dilma) was handpicked by Lula to replace him in 2011, but what would follow would result in recessions, budget cuts and corruption scandals that shook Brazil to its foundation. By 2014, Brazil saw GDP growth of 0.1% while 2015 saw a contraction of 3.8%, putting Brazil into a recession. In 2015, job losses in Brazil totalled roughly one million, causing many of the new forty million citizens that entered the middle class over the decade to slip backwards, Rio de Janeiro was naturally not immune to this (Sabatini, 2016). 2015 also saw the delay of police officers and teacher salaries due to budget constraints (Nocera, 2016), noticeably the latter came in conjunction with education budget cuts of 1 billion Reals (Otoni & Levine, 2015). At the end of 2016 an exceptionally salient policy was passed in order to meet the growing financial troubles with the *Washington Post* labelling it accordingly, 'the mother of all austerity plans'. The Brazilian Senate approved an amendment to the constitution which would cap social spending to only inflation changes in order to reduce its public spending. PEC 55, the amendments name, would cap spending on health care, education and

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social security (Sims, 2016). The capping of social security would inherently limit the amount of those living in poverty would qualify for programs such as BFP, especially those that have become in financial trouble due to the economic downturn. Doniec, Dall'Alba & King (2018) found that since the change in social spending between 2016 and 2018, roughly one million citizens in Brazil would not qualify for the BFP.

With Brazil's recession continuing into 2016/2017, security budget cuts began to increase as well as social spending cuts. In 2016, a few weeks prior to the Olympics, Rio de Janerio's security forces went on strike while asking for donations from the public for basic items such as toilet paper and cleaning products for their station. Salaries were delayed as well as cut, causing the police officers in one of the most dangerous security environments to go on strike. In the same vein those in the lower levels of public office in Rio de Janeiro were paid their salary in instalments, and pensioners were paid weeks late. Neighbourhood groups organised mass donations by the public in order to allow police officers to continue their function; the strike did not last more than a few days. Dilma's government besides being involved in the largest corruption scandal in Brazil's history, involving state owned oil giant Petrobras, left a legacy of reckless spending which many attribute to the poor economic performance during her term in office (Felter & Labrador, 2018; Muggah, 2018). What Dilma's government saw was public funds being mismanaged and poor policy choices such as the social spending cuts in some areas, which would subsequently affect the way the state can create presence of predominance or social currency for years to come. Dilma was ultimately impeached on the 31st of August 2016 after mass protest action in the streets of Brazil.

Temer

When deputy president Michel Miguel Elias Temer Lulia (Temer) took over after Dilma was impeached, the administration did not see any significant policy changes but rather a continuation of Dilma's legacy. His term has been characterised by corruption charges and very little else. They key event however to come out of his administration was further security budget cuts coming in 2017 and Temer being caught in the corruption probe. (Magistad, 2017, Felter & Labrador, 2018; Philips, 2015). The fiscal changes that occurred from Lula's regime in 2003 to Temer being voted out in 2018 crippled Brazil. While Lula's economy was stable and promoted social spending, which alleviated extreme poverty in Brazil, it ended with gross mismanagement of funds towards the end of the Lula era and Dilma's administration. The budget cuts on social sending and public security would have significantly hampered the state's

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ability to combat traffickers as well as the militias. The corruption charges against all three presidents would have by no means helped boost confidence, let alone legitimacy in the state's ability to manage the country as well as assist those in need. Late wages would also have opened up more civil servants and police officers to corrupt practices in order to survive, thus turning to traffickers or militia activities to receive a living wage. With a dismal fiscal capacity and an increasingly corrupt government body, the overall capacity Brazil would have suffered. Thus, limiting its ability to gain social currency for predominance and limit its infrastructural power to deal with threats to the state, internally and externally, namely corrupt state officials and non-state actors.

5.4 Traffickers: Police Corruption and Territory Disputes Come to the Forefront

The nature of the traffickers during this period remained unchanged, albeit growing in capacity as business grew. Territory take overs leading to violence became the most salient outcome of traffickers' operations when it came to affecting favela residents and the state. Confrontations with the police were not as common as inter-trafficker conflict causing civilian deaths. As corruption grew, so did the interaction of traffickers and the police (Interview 2, 2018).

A phenomenon that became increasingly problematic was the cooperation with police officers, and not always instigated by the traffickers. Instances of police officers apprehending traffickers, low- or mid-level, would sometimes lead to deals being struck. Traffickers would continuously supply a percentage of individual earnings to avoid being arrested. While this is not a new phenomenon since the inception of traffickers in Rio de Janeiro, a new arrangement began to occur. When a trafficker that was supplying police officers' monthly payments decided to leave the drug business, more often than not, the police officers would prevent them from doing so. Death would be the most likely outcome for the trafficker if they went against the police officer. Again, not all police officers in Rio de Janeiro's police force are corrupt, but it does happen enough for it to problematic when it comes to eradicating, even reducing, the traffickers from Rio de Janeiro. This is not to say that a police officer was either paid by traffickers or the militias. Police death squads that had no intention of being a part of either would still try and enact their own sense of justice, with poor results and a large body count with a mix of criminals and innocents (Interview 1, 2018; Interview 2, 2018; Interview 3, 2018).

The evolution of this exercise by police officers is by no means isolated among low-level police officers. Some station commanders in charge of that jurisdiction would be aware of what takes place as well as taking a percentage from officers that conduct these side transactions. There are instances of station commanders being unaware, but it should be noted that there are also cases where they are a part of the corruption (Interview 3, 2018). It also demonstrates that corruption by no means was localised to only poor earning lower level police officers anymore, entrenching the problem within the Rio de Janeiro police force.

These corrupt practices are problematic for a number of reasons. Firstly, it creates a never-ending cycle of violence and criminality within Rio de Janeiro. The promotion of illicit activities by some police officers to provide an additional income decreases the likelihood of their being able to curb trafficking and violence in Rio de Janeiro. It also further entrenches the idea that the state has lost the monopoly of violence as extensions of the state such the police are actively allowing violent operations to take place. Furthermore, it diminishes the state's predominance as control of the police allows for compliance in the very least. However, if the police are paid by someone else, it reduces the compliance the state can exert in order to gain predominance. Secondly, the residents are not oblivious to these interactions between traffickers and police officers, which would only push them away from trusting the police (extension of the state) or create a feeling of apathy in which there is no choice and that the state but is yet another violent actor. Police corruption in general has had negative consequences on state society relations, but historically, policing interventions have also plagued the minds of many due to civilian deaths and violence. It was this that the Brazilian state, and the government of Rio de Janeiro, was attempting to curb with the creation of the GPAE and the UPP from 2001 onwards.

5.5 Improved State Interventions and its Legacy

In 2000, the Brazilian state and Rio de Janeiro attempted to change their historically heavy-handed interventions in the favelas. From this point onwards Rio de Janeiro attempted to combat the traffickers in the favelas utilising community policing practices as means to deter trafficker violence. The GPAE, or *Grupamento de Policiamento em Áreas Especiais* and UPP or *Unidades de Polícia Pacificadora,* were community-based policing intervention strategies which promoted community interaction and strategic police operations to rid the favelas of traffickers. The GPAE lasted roughly seven years while the UPP became the flagship

intervention program and still runs today. The following section examines these operations carried out by the government of Rio de Janeiro as well as the Brazilian federal government in an attempt to regain predominance in the favelas and their subsequent consequences. These include further distrust between residents, increased non-lethal crimes, the increasing occurrence of police corruption and brutality, and an increased image that despite state intervention the traffickers still hold an exceptional amount of influence. The need for the military intervention in 2018 naturally demonstrates the failure of both in the long term. While both programmes subsequently worked in lowering violence within the favelas, they were unable to effectively rid the favelas of the trafficker or militias.

5.5.1 Community-Based Intervention Programs

The purpose of examining the new methods of state intervention is to highlight that the state did make an alternative attempt to traditional policing interventions, by using coercive measures that were coupled with a strong community interaction aspect. While both the GPAE and the UPP were successes, over the long-term they were built to fail as the fiscal capacity and loyalty to the state by police officers could not sustain these projects, specifically the UPP. The key issues were that the state could not endure the fiscal costs of the programs, the traffickers had become too entrenched within the favelas for them to be completely removed, and police corruption and brutality were major ongoing problems to the success of the program. These failures and the subsequent increase in crime and violence led to the state to bring in the Brazilian Armed Forces at the end of 2017/start of 2018.

GPAE

It should be noted that a full analysis of the GPAE will not be done as the primary examination will be the UPP, however the brief exploration of the GPAE provides the background to the UPP. After the failure of Operation Rio[19] and poor relations between the police and favela residents, Rio de Janeiro decided to try an alternative tactic to battling crime and violence inside the favelas. In 2000, a centre-left governor by the name of Anthony Garotinho led a team of security officials to pilot a program called the GPAE, or *Grupamento de Policiamento em Áreas Especiais* (Grouping for Policing in Special Areas) (Riccio, Ruediger, Ross & Skogan, 2013:311-314).

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[19] Refer to Chapter 4

The primary elements were twenty-four-hour occupation of the favelas and an attempt to achieve repaired relations with favela residents, which was coupled with working together with NGOs in order to hold the police accountable; a stark difference to previous attempts. While in the first-year targeted communities felt the presence of the twenty-four-hour policing as crime and violence had almost dropped to zero, this all changed in 2003. The old commander of the operation resigned due to 'politics' and was replaced by a hard-line major whose style varied greatly from the previous commander. An endemic problem which had been building for years had been police corruption, specifically within the Military Police, and while the previous commander had managed to keep the corruption of his operation in check, a new commander meant new officers. The GPAE declined from 2003 onwards until 2007, in which a new program would be built upon its foundations (Riccio, Ruediger, Ross & Skogan, 2013:311-314).

UPP

Unidades de Polícia Pacificadora (The Pacifying Police Unit) or more commonly known as the UPP expanded upon the idea of the GPAE, and the UPP was implemented in December 2008. It began in the favela of *Santa Marta*, situated in Rio de Janeiro's South Zone and then followed by *Cidade de Deus* in the West Zone (Gay, 2014:2). Rio de Janeiro had to make a a significant change in policing as there was international attention generated by the upcoming bid for the Football World Cup as well as the Olympic Games, both held in 2014 and 2016 respectively. For Brazil to host either event they had to control the rampant violence between traffickers themselves and clashing police officers. The mission of the UPP was twofold: to increase security in the favela and to allow the state to regain control of these territories and integrate the favelas into the 'formal' city of Rio de Janeiro (Oosterban & van Wijk, 2015:179).

The salient aspect of the UPP was that after operations in which traffickers were killed or arrested, police officers would stay in the favela to prevent traffickers from surfacing after and continuing operations. The UPP was implemented in four phases. First, BOPE, in conjunction with civil and military police would invade a favela in order to clear out traffickers and halt operations. Second, the trio of BOPE, civil and military police would sweep the favela road by road in order to locate and remove any other criminals that operate there. Once clear, the third phase is enacted, whereby the favela is handed over to UPP officers. These officers would be comprised of new, young (to avoid using corrupt officers), educated on human rights military police officers. The UPP officers were trained in the ability to uphold community policing by

facilitating partnerships with favela residents as well as provide security. Once the UPP units had been installed in the favelas, phase four would begin. Public and social services would enter and begin to forge relationships with favela residents in order to integrate them into the formal city. By 2013, the UPP had been set up in 34 favelas, and by 2014, 38 favelas had been selected for UPP intervention (Melo, Magaloni & Franco, 2015:3; Oosterbaan & van Wijk, 2013: 182). It should be noted that according to the UPP report of 2014, not all favelas that were on the UPP program had been pacified, with actual pacified favela totalling 28 (Fahlberg & Vicino, 2016:14).

By 2013 the UPP was hailed a general success, with lethal crimes brought down significantly in areas under their control. This was due to the active police presence deterring territorial disputes, the most common and violent activities between traffickers (Cano & Ribeiro, 2016:368). Resident's perceptions could be characterised by enthusiasm, with residents in UPP controlled areas indicating that shoot outs had decreased almost to zero and they had not heard of any homicides since being occupied by the UPP. For all intents and purposes the UPP had carried out its task. However, if one takes into account that Rio de Janeiro has over 600 favelas, there were still 500+ favelas that are not secured.

Map 5: UPP Operations
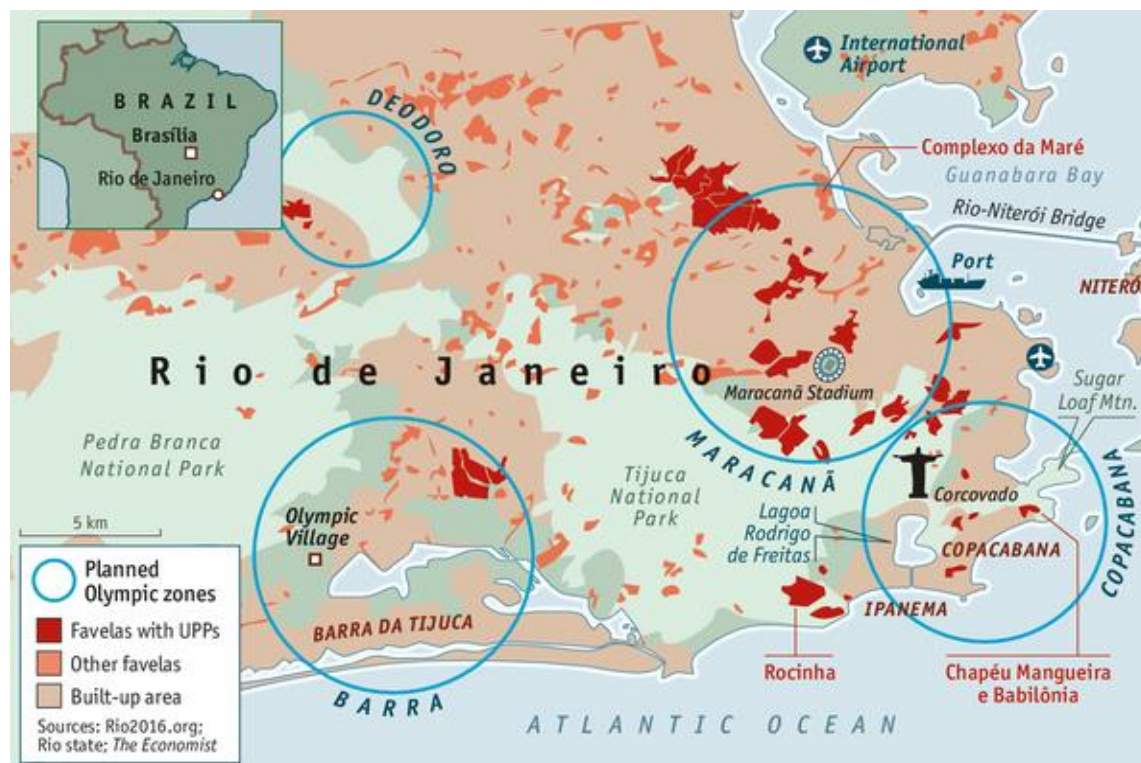
UPP Map 2013: The Economist, 2013

That being said, the targeted favelas were chosen based on their high trafficker presence, as well as homicide rates. While homicides and shooting occurrences dropped significantly, what one saw was the increase of non-lethal crimes such as robbery, rape, house break-ins and assault. While the intentions of the UPP was to facilitate improved favela/police relations, it never came despite enthusiasm of the whole intervention at the start, with levels of distrust still strong from residents. This links with the continued occurrence of increased non-lethal crime in pacified favelas. Residents who would usually approach the traffickers to deal with crimes such as robbery and rape, refused to talk to UPP officers or when they did often nothing came out of it (Oosterbaan & van Wijk, 2015:183).

This continued lack of trust in the police, even in the context of the UPP, displays a salient point in the occurrence of private spheres of power. Historically the police of Rio de Janeiro have lost legitimacy in the eyes of the residents of the favelas to deal with their concerns or provide safety and security. Over time, as residents became accustomed to rule of law implemented by traffickers, with growing dissent towards the police, it is no surprise residents were reluctant to meet with police officers to solve their grievances. A product of this is what one saw with the UPP take over, residents still would not make use of public security. At the same time, non-lethal crimes draw less attention than lethal ones, which would have allowed non-lethal crimes to grow in the gap of trafficker law and the rule of the UPP, which seemed to be limited to rid favelas of traffickers and drugs, but not much else. This continued performance by police officers, even the UPP officers, coupled with years of disservice to favela residents, failed to rectify police/resident relations. By ridding the favelas of homicides, but leaving gaps for other crimes to occur, it would have by no means helped the state's image of protector of the innocent, despite the improvement. The state still is unable to provide the fundamental political good of security.

The UPP and public optimism of its likely success reached its height in 2013. Thereafter it began to decline to a case of complete failure by 2018. By the end of 2013 it was announced that Rio de Janeiro's security expenditure would be cut by 32%, resulting in smaller number of officers available as well as equipment. In 2018, it became clear that state had abandoned the UPP behind with 10 000 Reals (R36 300) being allocated for the entire program. Once again, this displays the saliency of fiscal capacity for the state to be able to cater to other areas of capacity, and due to mismanagement and economic downturn, Brazil's fiscal capacity declined leaving its coercive capacity behind (Gardiner, 2018).

Beside budget restraints, a number of events, varying in severity led to its downfall, namely the actions of UPP police officers. Firstly, the 'Amarildo Incident'. Bricklayer Amarildo de Souza and resident of the infamous Rocinha favela went missing on July 14th, 2013. Days after his disappearance, it was uncovered that he had been brought into a UPP building for what the police said was 'identification verification' and was allegedly released. Later it was revealed he was subsequently tortured and killed for information relating traffickers that operated close to his house (Carneiro, 2013). Stories such as that of Amarildo were not uncommon over the years. The lack of police determination to investigate cases of missing persons when the police themselves have been accused also creates a level of distrust. Secondly, on top of police brutality, as of 2017, UPP officers have begun to ignore calls which would take them the more dangerous parts of the favelas, which civil society groups call the failure of the UPP (Alves, 2018; Carneiro, 2013; Gardiner, 2018).

With the UPP considered a failure on all fronts, and police brutality still playing a salient role in favela police relations, the multi-facet style (UPP and GPAE) of policing Rio de Janeiro could not be sustained in the long run. This failure led to the idea for using the armed forces in 2017. By 2016, the latest data on citizen fear and trust levels between actors in the Rio de Janeiro found that militias were the least feared group, while the traffickers were second by 0.5% difference and the police of Rio de Janeiro coming in last when it comes to trust and lack of fear (Gagne, 2016). *The GPAE and specifically the UPP ultimately failed due to funding in the long term, the historical entrenchment of the traffickers in the favelas, police relations with residents (brutality and trust) and corruption.*

5.5.2 Traffickers in the Face of State Intervention
With the BFP and the various interventions, the state did make an active attempt to take control of the favelas. What followed in a number of retaliation events by traffickers, indicating that despite the states concerted effort it had forged during the BFP and intervention programs, they still did not have the legitimacy or infrastructural power to deter the traffickers. With the intervention programs, confessed traffickers stated they would just sit in hiding until the state left, where drug operations would still be carried out (Brooks, 2018). After the UPP died down post-2013 and significant budget cuts to security, the traffickers were far more confident in displaying their grievances with the state. The end of 2013 marked the relative demise of the UPP. Following this, the state tried to hang onto the more community-based policing of the

UPP, but it did not stop them from still aggressively entering favelas outside of the UPP selected ones.

The traffickers have had a history of not being intimidated and to display their displeasure with the state, or anyone else for that matter. It should be noted that the GPAE began in 2001, thus trafficker actions/responses occurred in the context of state interventions. In 2002 the Red Command kidnapped a renowned journalist who had been missing for two weeks prior to his discovery. In a grand display the Red Command tortured him, cut him into pieces and then burnt the pieces on a mound of tires to send a message. The journalist, Tim Lopes had been investigating underage prostitution by the Red Command and was subsequently brutally killed for it. In another display, Christmas 2006, on the 28th of December, traffickers set a bus alight with passengers inside and locked the doors so they could not escape. Police response was aggressive, with before year end 19 traffickers were dead (Barbassa, 2015:28-29;31-32). Bus burning seemed to be a salient medium in which traffickers would express their displeasure with the state.

In early 2017 for example, the police arrested 40 suspects and confiscating 30 firearms after intervening in a turf dispute. In response, the trafficker group that controlled that specific favela set alight seven commuter busses, ordering citizens to get off the bus before setting it a light (Brooks, 2017). In the wake of the Olympics, Rio de Janeiro, despite security budget cuts, took a heavy-handed approach to rooting out security concerns since the announcement that Brazil would be hosting the 2016 Olympics. The traffickers did not seem phased by the police of Rio de Janeiro. A photo emerged with members of ADA holding what would appear to be brand new assault rifles while swimming in the Olympic pool in Rio de Janeiro (Cawley, 2014). The lack of fear or concern by traffickers indicates the level of dominance they exert in Rio de Janeiro, illustrating their sustained disregard for consequences due to the level of influence that had been growing over the years.

Both the traffickers and militias' presence and growth in the face of state interventions demonstrates that one, the state continues to lose its role to monopolise violence, two, that these groups continue to enjoy capacity growth and three, from a capacity perspective the state is in no position to control the favelas nor prevent the spread of militia control. Here one can explore Rotberg's work in more detail, as between 2000 and 2018, Brazil saw characteristics of state strength, state weakness and even state failure. The presence of alternate actors providing

security and, in some cases, resources demonstrates state failure as outlined by Rotberg[20]. Once an entity begins to provide basic political goods, it is difficult for the state which cannot, to regain predominance. The blatant disregard for the state rule of law also taps into Grynkewich (2008:353), where he states that actions by an organisation that show that their ability is beyond control by the state, can continue to undermine the state, which is what has happened over the past two decades.

The traffickers have achieved a varying degree of social currency as outlined by Migdal, and depending on their style of running favelas, this can range from compliance to legitimacy. What stands out is that the traffickers have an increasing number of police officials on their payroll thus essentially diminishing the states 'compliance' level of predominance. The traffickers will always have compliance due to their threatening of violence as a tool, however the state does not have this luxury. The state's compliance comes from their ownership and control of the police force, however if the state has a limited control over the police, it lacks even the most basic of social currency measures, which the traffickers can operate within. This allows them to have the arrogance to burn busses and kill journalists. This does not mean the state did not try to intervene or improve favela police relations over the course of these events (citing only three out of hundreds), but the fact these events occurred displayed that their attempts failed. It also demonstrates that the historical entrenchment of the traffickers moves the problem of predominance to new heights as one would need to remove the historical marginalization and violence against favela residents by the state. While the traffickers are not the saviours for residents, it's clear their rule of law seems to be more trusted than the state's.

5.6 Military Intervention

While the BFP and UPP managed to curb crime and violence, it still was unable to regain control of the favelas nor remove the traffickers from power. With reports of civilian abuse and even killings by UPP officers, it by no means assisted with the states relations to favela residents. Historically the state had been seen as yet another actor in the violence that residents experienced, and it would have been unlikely that in the space of a decade, albeit with continued levels for police brutality it would have aligned more residents to the state. With growing levels of violent crime in Rio de Janeiro, especially after the 2016 Olympic games, Brazil and the government of Rio de Janeiro moved to far more hard-line tactics, with a complete 180 degree

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[20] Refer to Chapter 2

turn on the UPP. Since the recession in 2015, with public security being cut and police officers being paid late or not at all resulted in a 35% increase in homicides between the start of 2015 and end of 2017, leading to the final decision of using Brazil's Armed Forces (Brooks, 2018). The start of 2018 saw tourists getting assaulted and traffickers battle over territory live on television, all within the period of Carnival, a time that is typically associated with more peace than violence. By then the military intervention had begun, but the attacks on tourists only entrenched the idea that Brazil's Armed Forces should be used (Alves, 2018).

At the start of 2018, Brazil had finally exhausted all of its options as outlined in the constitution. It was decided that the Armed Forced would control public security in Rio de Janeiro, and not merely assist as in previous instances. This move was called for and resisted by a number of civil society groups. Historically, heavy-handed approaches to traffickers have created an increased divide between the state and favela residents. While Brazil's Armed Forces have been used a number of times to assist with police operations, this is the first time since the dictatorship that they were granted full control of public security, which included prisons and firefighting. The question many asked when the operation was approved was why now? It comes down to the fragmented multiclass state issue of appeasing to a variety of interest groups in order to remain in power. Tackling the severe levels of crime and violence would hopefully cater to variety of groups in order to secure votes. Historically, especially during times of increased violence, campaigning on security has always secured votes for politicians in Brazil and in Rio de Janeiro. The problem is, there is no quick solution to solving the crisis faced by Rio de Janeiro (Alves, 2018; Interview 3, 2018).

During the intervention, trafficker bosses spoke to a variety of news outlets highlighting their thoughts on the Armed Forces' 30,000 strong force occupying a variety of favelas. A Red Command boss was cited as saying the intervention was a minor inconvenience, and as he hides, his foot soldiers will and have continued to sell drugs. He further added that he was aware the intervention will end at some stage, in which he will emerge again and carry on their standard operations. A boss for the Third Command stated that no change will come from the occupation and he is merely waiting it out (Brooks, 2018). The trafficker response to the military presence was that of the UPP: Drug sales continue while violence goes down but ultimately trafficker operations continue leading to their emergence once the operations finish (Alves, 2018). The capacity, specifically bureaucratic, of traffickers had grown to the extent that operations could continue to run even in the face of a military intervention.

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Due to the fact no solution is simple, or one could even argue within a sitting president's term it would be unlikely a solution or completion of said solution could be done. This creates a problem that occurs within fragmented multiclass state. The need to seek votes establishes short term strategies that give the image of a hard-line approach with a solution in site, at least that is what is promised. In the interim homicides do go down which is paraded by politicians, but police killings go up as well and after a few months the violent cycle flares up again. What this means for state predominance is that the state is still seen as another violent actor, especially with human rights abuses being reported as well as innocent civilian deaths. Thus, when faced with a choice, the incentives provided by the state still fall short by those offered by the traffickers and militias. One will likely continue to see a decline in state predominance as they continue to fail to rid the favelas of non-state armed actors and provide security for its citizens.

The military intervention ended on the 31st of December 2018. The results show a trend that continues to the haunt the efforts made by the state to regain their predominance. As with most operations, including the UPP, the military intervention saw a drop in homicides by 5.9%, however, the killings of civilians and criminal alike went up 38% (Alves, 2018). Many NGO's and civil society groups reported human rights abuses by the Armed Forces and police during the intervention, with some groups even making their case at the United Nations (UN) (Interview 1, 2018). Here again, one sees that not only has the state failed to provide security to its citizens but has actually increasingly contributed to insecurity to residents. It is not to say the state is the only actor responsible as the interaction between the militias, the state and the traffickers have created this environment of insecurity. That being said, the state in its attempt to regain predominance has done the opposite. The political motive behind the intervention did not pay off, with Temer losing to a military man by the name of Jair Bolsonaro in the 2018 elections who promised to root out corruption and deal with the growing crime and violence in Rio de Janeiro. It is unlikely a new approach to the traffickers and militias will be taken by the new hard-line President of Brazil.

5.7 Conclusion

The years following the immediate period of democracy (1985-1999) after Brazil's dictatorship proved to be a challenge for the state for a number of reasons. This period saw the growth of non-state armed actors as well as the return of police brutality. The period under examination for this chapter had to deal with the fallout of these salient aspects which influenced the state's

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predominance. With the presence of traffickers, and the eventual rise of the militias becoming stronger than the state in terms of its influence in certain areas, the state fumbled to make headway in terms of interventions and state societal relations. While the BFP proved to alleviate inequality and create some survival incentive by the state, social spending cuts over the years have narrowed the scope of citizens that have access and the fiscal amount by no means can compete with traffickers. Security spending cuts had a significant impact upon security forces morale and limited their ability to tackle the issue of non-state armed actors effectively.

The continued retaliations and operations by traffickers indicate that state responses to non-state armed actors in Rio de Janeiro has been nothing short of a failure. Police corruption, historical conflict between favela residents and the state, poor fiscal capacity and ineffective bureaucracy are all areas which need to be fixed in order for a legitimate solution to be driven towards. While the traffickers are clear actors that undermine the state, militias and their rapid progression along with their state ties are on a path to become far more problematic for the state for legitimacy purposes, thus undermining the long-term predominance goals any state requires to rule.

The historical and continued police brutality is also a massive stumbling block for Rio de Janeiro. The police of Rio de Janeiro must overcome police brutality, as it will continue to diminish the state's ability to provide the fundamental political good of security. This is clear from the state's attempt with the UPP, but historical distrust and the culture of police violence were amongst the main reasons its failed. Even though the UPP has been the most sustained program that did yield positive results at the start, it was unsustainable due to fiscal capacity and police culture in Rio de Janeiro. Only with greater capacity, pursuit of long-term goals, and a change in police culture in Rio de Janeiro could a dent be made in the trafficker operation; however, in the short-term this scenario is unlikely. Traffickers are likely to continue operations in the face of short-term solutions, and the militias will continue to grow unchecked and wage war against the traffickers while extorting those that seek what the state should be providing as a fundamental service: security.

Chapter 6: Ouroboros – Eating One's Tail

6.1 Introduction

Ouroboros is a Greek term that means 'tail devourer' in the direct translation and is the symbol of a snake eating its own tail; this symbol has become synonymous with this term. It signifies an entity eating itself, with the tail indicating 'the entity's' past. However, while the tail is ingested it becomes an increasing part of the entity but is now merely out of site and can devour itself by continuing this process. This is a delightful metaphor for Rio de Janeiro and Brazil when it comes to combating non-state armed actors since the dictatorship.[21] Despite the numerous failures to curb crime and violence and tackle non-state armed actors, Rio de Janeiro and Brazil resort to the same tactics in a cycle which only increases its problem.

The focal point of this thesis has been how the actions of the state, as well as its representatives, have impacted upon the development of non-state armed actors in Rio de Janeiro. To understand why society responds in this manner is also a required factor for the consideration of additional theories within the state societal relations field. The state theories applied to the case of Rio de Janeiro by Migdal and O'Donnell demonstrated why these theories have been hailed within academia, allowing for one to gather insight into the issue that plagues Rio de Janeiro. This final chapter highlights why the case study of Rio de Janeiro within the context of the analytical framework proved insightful. The chapter can be broken up into two key sections. Part 1 explores the former, while Part 2 discusses the considerations for future research given the outcomes of this thesis.

The chapter begins by examining the case study in the context of state-centred theory by discussing the saliency of Brazil in the work of Kohli and Evans. Both authors use Brazil to highlight their work. This section demonstrates how the state-focused theory allowed for the exploration and explanation behind Brazil's capacity fluctuations over decades.

6.2 Part One: Brazil - The Tail Eater

6.2.1 The State as an Entity and Provider
The contrast of the Brazil's dictatorship as discussed in Chapter Three, followed by its transition from a cohesive capitalist state to a fragmented multi-class state from Chapter Four

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[21] While it may have a number of interpretations, for the purpose of this thesis, the interpretation above is the most fitting.

to Five, allowed for Kohli's work to become increasingly highlighted. Brazil fit the mould of both archetypes to a varying degree and formed the baseline of the framework. While state capacity as a concept was not emphasized as a concept in Kohli nor Evans work, their respective theories essentially highlighted how these state types can moderate their 'constituency' and the overall functioning of the state. By illustrating the contrast, the framework did two things. One, the applicability of Kohli and Evan's work decades after they were created. Two, it allowed a lens in which to examine the actions of the state in their respective periods and provide the rationale behind the state's actions based on the respective political freedoms or restrictions. The freedom of the dictatorship allowed the state to be a monolithic structure that could curb any retaliation and provide economic growth, albeit short-lived. The transition period and after demonstrated that the state had now become constrained in its actions, and thus would be limited in its ability to perform compared to the previous regime. It is these state types that governed infrastructural power, state capacity, and state strength, all which varied based on the developmental state type.

Evans highlights a key point to the thesis when he argues that some cohesive capitalist states become more predatory in nature, referring to Kohli's neopatrimonial state which is often characterised by negative actions against the citizenry. Despite the strong economic growth and immense infrastructural power, the state's population does not look favourably upon the state. Kohli and Evans' theory of the state is the catalyst for a cyclical interaction of everything that happens within those state systems.[22] This cyclical system's components feeds into one another, specifically referring to state capacity and infrastructural power. Fiscal, bureaucratic and coercive capacity need to work in tandem in order for the state to function and provide political goods. Infrastructural power, which is determined by state capacity, is then used to utilise these capacities to grow capacity and infrastructural power. Through this, the state can provide a variety of goods to its citizenry for them to survive and prosper as well. If one component of the system fails, it drags onto the other components and creates gaps within the state that can be filled by another actor. This is what happened in Brazil and specifically Rio de Janeiro, creating the ideal context for actors to replace these capacity gaps, some more sinister than others.

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[22] The reference to the state as a system is by no means a creation of an alternate representation of state to ones that exist or a reference to 'Systems Theory' of the state but merely used to assist in the presentation of theories used for the purpose of this thesis

The cohesive capitalist period experienced by Brazil destroyed its capacity by the time the re-democratisation period began and subsequently created capacity gaps, but now without the strong coercive presence and infrastructural power it had before. This meant that, in the context of a fragmented multiclass state, areas which had faced significant periods of neglect/capacity gaps, i.e. the favelas, could not be coercively controlled and doors opened for parallel spheres of power to form. From here, the Brazilian state struggled for decades to regain its capacity and infrastructural power, leaving time for parallel spheres of power to form to replace the gaps left by the state to grow stronger.

The theories discussed above showed insight to the 'how and why' Brazil went through its capacity fluctuations over the years whilst Rotberg's work explored the consequences when these gaps form. Rotberg's work highlighted the consequences of when a state does not provide its most basic functions. Rotberg's promotion of security as the key political good, serves as a salient point in the context of this thesis. The state should be able to ensure that the physical security of its citizens, from internal and external threats, can be guaranteed. It is from here that Rotberg's work becomes increasingly important, as he highlights that if the state cannot provide security, then given enough time, citizens will turn elsewhere.

Rotberg maintains in his work that, fundamentally, if a state has the means to provide basic political goods, the citizenry will obey the rules and the state can thrive. In the cases where this doesn't happen, the state begins to weaken over time and can become failed or collapsed. Brazil ultimately shares characteristics of a strong, weak, and failed state since the dictatorship. It is here that the crossover between state theory and state societal relations theory becomes relevant to the purpose of this thesis. The state had limited capacity coming into a new democratic period and yet favela residents came to see it as a threat. Residents thus looked for a new actor to provide some security. What favela residents found, at least at the start, was an actor that could provide more than security, including but not limited to employment, infrastructure and school clothes. It is this factor that requires the application of the work of Migdal and O'Donnell to explore this idea of what happens when another actor assumes the role of the state.

6.2.2 Survival: One Way or Another.

The theories on the state allowed insight to how and why the state took specific actions or how and why a state was unable to take those actions. How did non-state armed actors garner enough

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support to grow within those systems? By examining Rio de Janeiro with the theories of the state as context, Migdal and O'Donnell's work answered this question. Any living creature on the planet has an intrinsic desire to survive, a function that is located in the brain stem (more specifically the hindbrain) and gives every creature the basic drive for survival, such as through procreation and staying alive by any means necessary. Despite human beings having evolved beyond this, brain development wise, we as a species still have this idea intrinsically engrained within us.

The context in which we live defines the way we respond in order to pursue survivability, which is why it was important to examine theories of the state. Every theory explored on the state allowed one to explore the context in which Brazilian's live, specifically those without resources. Rio de Janeiro over years has provided an ever changing yet static context in some areas which has shaped the way its population has chosen to survive. In the time of the dictatorship, the economic prosperity did not trickle down to the lower classes and those living on the periphery experienced brutality by the police, an extension of the state. This is where Migdal's work takes centre stage and is amplified by Rotberg and O'Donnell. Each theory brings about its own outcome for the state failing to provide the necessary means to its citizenry. First and foremost, the Brazilian state, since the dictatorship, was seen as itself a security threat to the majority of favela residents. Therefore, the starting point of this thesis created a picture of a state that increased inequality, failing to provide fundamental political goods to those in need *despite* having the state capacity to do otherwise.

Favela residents did not see the state as a provider of goods but merely as an antagonistic entity. In terms of Migdal's social currency, the Brazilian state would have achieved compliance as citizens obeyed the laws due to coercive concerns. Here, O'Donnell's work cannot come to the forefront yet as the state at this point is too powerful to allow parallel spheres of power to develop, as seen with the guerrillas. The idea that no parallel group of power could exist follows Kohli's archetype of a cohesive capitalist state, an entity that has excessive control over society. This changed when Brazil entered the fragmented multi-class state archetype. From here it becomes significantly more complex in terms of state societal relations as control loosened, entities could begin to appear and begin to gain favour for citizens. Here O'Donnell's work on brown areas becomes apparent. The longer the state ignored or held a sporadic presence with favela residents, especially after being mistreated, the more likely alternative spheres of power will form, as seen with the case of Rio de Janeiro and the favelas. Within the context of brown

areas, once even a small parallel sphere of power begins to emerge, it will grow or fail based on the level of social currency they can achieve in time as pointed out by Migdal. In the case of Rio de Janeiro, this phenomenon happened between 1979 and 1984. As Migdal points out, citizens need to weigh up rewards and incentives from competing groups, and unfortunately within the context of a deeply troubled economy and historical persecution, the Red Command utilised this to their advantage, with similar distain for the state. As stabilisation plan after stabilisation plan failed, the capacity gaps began to increase from the perspective of the state. This is in contrast to the Red Command whose capacity began to increase due to the Andean cocaine trade. It is from here that the state's social currency declined further while those of the traffickers increased. As O'Donnell notes, the longer the political system appears weak or unable to provide for its own officials, this opens up doors for corruption. Unfortunately for Brazil, the state's compliance level of social currency, the police, with dwindling salaries and increased employment risk, the state began to lose this, while the traffickers began to gain even more.

Even as the environment became more violent as police and trafficker clashes would create significant danger, residents still would have to make the decisions of survival mechanisms through incentives. A prime example of this is when the UPP began to occupy neighbourhoods. With UPP officers refusing to answer calls within the favela, ignore investigations into non-lethal crimes and in some cases torture residents for information, residents must weigh up incentives. While naturally not all favelas are run by 'peoples' traffickers, or face expensive living costs due to militias, the rule of law created by traffickers and militias prevents a significant amount of non-lethal crime and lethal crime from taking place (when not in gun fights with police or territory disputes). The fact that citizens to some extent prefer the traffickers and militias over that of the state still speaks volumes about the state's ability to provide the most fundamental political good, security. The militias have filled the capacity gap of security, the traffickers have done the same but created employment and provision of resources. This occurs while the state battles corruption, an underperforming economy and further budgets cuts to the already flailing capacity and infrastructural power.

The aim of this thesis has been to demonstrate the historical rise of non-state armed actors in Rio de Janeiro, using the framework provided to explain why and how. This happened using the case of Rio de Janeiro has not only proved an enormously complex system of actors

interacting with one another but also gives credit to the theory used and their respective authors when examining non-state armed actors from a political science-based approach.

6.3 Part Two: Research Considerations

6.3.1 Areas for Future Research

From the research conducted, a number of areas would require further exploration that could not be done in this thesis. Most importantly, the phenomenon of the militias, brown areas, and finding most similar case studies to compare this research to in order to find common variables. Firstly, it could be informative to examine states that have gone through similar political transitions within a similar time frame as Brazil. South Africa would prove to be an adequate case study as it deals with various levels of criminality as well as sections of cities that see little to no government attention. Here brown areas and parallel spheres of power have begun to emerge.

The city of Cape Town for example has a homicide rate that rivals Rio de Janeiro, but groups have not emerged as powerful yet. Despite this, recently the South African Armed Forces have been deployed to certain areas to deal with growing homicide rates. In a similar fashion to Brazil, Mexico would also provide salient information, as the level of influence that the cartels hold is exceptional, with some media outlets indicating the state has been 'captured' by certain criminal elements. For example, some rural towns in Mexico are completely run by cartels, providing electricity, schooling, infrastructure and jobs in place of the state under the agreement that the town is used as an operational point for drug trafficking or production. The Mexican case is far more extreme than those encountered in Rio de Janeiro. However, horror stories have emerged of those investigating these cartels, which would make research challenging.

By finding common characteristics for states that face the same issues in terms of predominance and violence by non-state armed actors, one can work towards policy suggestions or long-term development goals. Here it may also shed some light into how coercive measures have failed time and time again (not to say this thesis is the first time this has been pointed out), with a multi-faceted approach required to deal with non-state armed actors and criminality.

Through the case study it emerged that O'Donnell's original conception of Brown Areas has been expanded beyond what one can consider the periphery. It is this departure point that could provide areas for further exploration on this idea by examining other instances or even focusing on Brazil to expand upon the idea of Brown Areas. By examining other states that follow a similar history in terms of development it could prove insight into what variables allow for brown areas to shift beyond the periphery. Finally, as pointed out by an interviewee (Interview 4, 2018), the field of study when it comes to the phenomenon of the militias in Rio de Janeiro is very, very new. The work displayed in this thesis has been relatively new in terms of the militias, at least within English literature.

Cano & Ribeiro (2016) have produced one of the only pieces of academic literature in English on the militia's in relative detail. Further investigation into the militias could provide increased insight into how an entity with so much power can exist within a country such as Brazil. It has been noted (Interview 1, 2018; Interview 2, 2018; Interview 3, 2018; Interview 4, 2018) however, that such a task is exceptionally dangerous. Traffickers are more willing to speak to researcher than militias who are more likely to threaten or kill someone investigating them, as seen in 2008[23]. It has recently emerged that incumbered President of Brazil, Joao Bolsonaro is on speaking terms with militia members, with a recent photo emerging of the president and one of Marcello's accused murders[24]. These revelations have brought into question the extent of political ties of the militia, with one NGO accusing the state of using the militias for their own purposes. It is hoped that this thesis provides the basis for further research on the topic in Brazil as well as in the context of other states that face the same problems.

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[23] Refer to Chapter 5 within the Militia section
[24] Refer to Chapter 5 within the Militia section.

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Interview (3), 14/11/2018. A professor in Rio de Janeiro who researches social dynamics within the favelas.

Interview (4), 23/11/2018. PhD student who has worked on urban governance and favelas.

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