

Drugs and violence in Rio

The bottom line

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Why a tight market for drugs may be contributing to recent violence

ALL of Brazil's big cities have a vigorous market in illegal drugs. If surveys of drug use are to be believed, consumption of cocaine, crack and cannabis per head in Rio de Janeiro is near the median when compared with other state capitals. So why is the city that has just won the 2016 Olympics so prone to paroxysms of drug violence, as seen on the weekend of October 17th-18th, in which about 25 people were killed (including three policemen), ten buses were set on fire and a police helicopter was shot down?



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Rio's cops: part of the problem

The city is pockmarked by a history of bad government. Past mistakes include making accommodations with drug-dealing factions in the hope of keeping them peaceful. Rio's police force is also part of the problem. Some of the weapons used by drug dealers are sold to them by the police, and officers still execute too many people on the spot rather than bother with prosecuting suspects, making *favela*-dwellers regard them as no more a source of justice than the drugs gangs.

A further reason for Rio's spectacular violence is that it has three large, competing drug factions, whereas in other big cities (including the largest, São Paulo) one gang is dominant. A recent study from Rio de Janeiro state's government on the economics of the local drug business suggests that, because of this competition, far from living like characters in an MTV hip-hop video, Rio's dealers are operating at "close to break-even".

Using a conservative estimate for total annual drugs sales in the city, of R\$316m (\$182m), the study reckons that after buying the product from wholesalers, employing a sales force and investing in capital (guns, mainly), Rio's dealers make combined annual profits of R\$27m (\$15m). The wage structure within the factions appears to be surprisingly flat, far more so than in the American gang analysed in 2000 by two academics, Steven Levitt and Sudhir Venkatesh. Rio's dealers seem to be an exception to Brazil's national picture of unequal income distribution.

Before the recent violence, some analysts had suggested that stretched finances were leading drug gangs to co-operate in some operations. But the more standard response to this situation is to invade a neighbour's turf.

This is what happened on October 17th, when members of the Comando Vermelho poured into an area controlled by the Amigos dos Amigos, and the shooting started.

With drug-peddling margins so tight, the gangs are looking to other revenue sources. Both they and the city's illegal militias, which control other areas of Rio, are involved in the illicit provision of electricity and other utilities and also, increasingly, in politics. Around a dozen members of the city council appear to have been elected with the help of blocks of votes delivered by local strongmen. One councillor says it is not uncommon to see people walking around the council chamber with guns. The metal detector at its entrance was unplugged when your correspondent passed through it on October 20th.

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