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Date Sent	08/21/2017			VCC-01
Manuscript Title:	Evaluation Due	09/21/2017		
Beasts of Prey or Rational Animals? Private Governance in Brazil's <i>Jogo do Bicho</i>				
Please rate the manuscript on the following: (A=Excellent, B=Requires Revision, C=Inadequate)				
Subject Appropriateness:	C	Timeliness:	A	Organization:
Data and/or its Presentation:	A	Analysis of Data:	B	References:
		Style:	B	Theoretical Framework:
				Reference Style:
				A
Overall Grade (Check One):				
A. Publish, Requires Little or No Editing <input type="checkbox"/> B. Possibly Publish, Requires Revision <input checked="" type="checkbox"/> (Substantial) <input type="checkbox"/> C. Do Not Publish <input type="checkbox"/>				

Editor Evaluation:

This article presents a rational choice explanation of *jogo do bicho*'s institutional emergence as an extra-legal market in Brazil. It does not fit the theme of the special issue, Violence and Capital Accumulation, in terms of how we conceive of it, and therefore I cannot recommend it for publication in that special issue. However, this article is an excellent exposition of markets as historically constituted entities built by actors overtime in response to structural and organizational factors. By responding to the criticisms laid out here, and by other reviewers, this article is worth publishing in LAP, and would push critical researchers to engage with bourgeois social science's theoretical arguments and their application. Especially those arguments focused on how agents seek to optimize their own economic outcomes, establish cooperative relations, and accumulate capital in the neo-classical sense.

- 1.) Agents are differentiated by their role (bookmaker, banker, etc.), yet there is little discussion of how they form a hierarchy of power to affect. It appears as if each agent has a similar power to affect, which muddles the understanding of the ability of *bicheiros* to implement their strategies. For instance, in the discussion of state capture through the samba schools, a prior understanding of the hierarchy of roles would help the reader to understand the ability to impose oligopolistic conditions, as well as strengthen the argument concerning the role of *bicheiros* in market formation. See: Neil Fligstein's work on incumbent-challengers in capitalist markets, a political-cultural theory of market formation and alteration
- 2.) Further, and following from this concern over hierarchy, at the beginning of section 2.1, the author writes, "Spontaneous orders are emergent macro-level phenomena that result from *voluntary actions of purposive, self-interested individuals utilizing their contextual knowledge*" (emphasis mine). What does the author mean by voluntary? For instance, urban poverty as a structural factor places severe limitations on what actions can be taken, and this goes beyond just a matter of knowledge. So, while neo-institutionalists like North would reduce institutions to schemas for action, others in the institutional political economy and neo-Marxist traditions, argue that institutions are also very much a matter of power (see Portes 2010 for instance). Considering LAP is a critical journal, the author would do well to explain the rational choice sense of agency, and contrast it with more critical accounts.
- 3.) The author does not conceptualize the informal (extra-legal) economy in contrast to the formal economy. In the literature, the informal economy is not just an economy absent state regulation, although this is of course important. Rather, it is wrapped up in questions of exploitation and subsidizing the formal economy, and thus once again questions of power. See for instance Centeno and Portes 2006. Also, informal and extra-legal are not always the same thing, as pointed out by Cross and Peña 2006. There is a difference in selling an illegal product illegally and selling a legal product illegally. This gets at the idea of the repugnant market and morality of a market arguments, and could help to clarify further the exact definition of an extra-legal market.
- 4.) The point made by Arrow used in section 3.3 that criminals "do not put the required levels of effort if they know they are not being monitored", lacks empirical backing in the literature. It is to take a *doxa* about criminals and treat it as true. I suggest looking at contemporary work on pirates for instance, and other extra-legal organizations, instead of using moral judgements as theoretical arguments. Remember, who is and who is not a criminal is a social matter, not a universal. Police invading a *favela* is a criminal act, but we do not label them criminals. Or, we can state that criminals are always those that follow Arrow's definition, but then you would have to demonstrate that the agents in the *jogo do bicho* act this way. Otherwise, it substitutes empirical reality with a possibly unfounded theoretical conjecture. This also returns us to point 3, whereby clarifying extra-legal economy would help to understand extra-legal actors.
- 5.) Lastly, I suggest the author look at work by Peter Evans, and other sociological institutional political economists, who have worked on State embedding. The State itself is embedded within a social structure that dictates why it acts the way it does. That structure is cultural, political, and economic, producing social path dependence for the institutions that operate within it. Instead, the State is here left undefined as an entity. As such, all the agents operate the same despite their institutional and structural context, which makes overly rational agents that are actually bounded.

It is most likely not possible within this single paper to fully integrate all of these parts. However, offering the contrasting position and clarifying the definitions of informal economy, power, agency, state, etc. would make the argument stronger. That should be done for publication, otherwise, the argument is decidedly non-social, whereby history becomes little more than window dressing for an *a priori* argument. These arguments are not new, and researchers like Boudon (sociology) and Bunge (philosophy) have directed sustained critique at rational choice models.

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Signature

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Date