

Political Competition When Gangs Rule: Effects of Removing Criminal Governance

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Abstract

Millions of citizens of democratic countries live in areas captured by non-state armed groups. In this paper, I study how territorial control by criminal organizations affects political competition and public service provision. I exploit the staggered implementation of a pacification policy in Rio de Janeiro that restored state control in slums ruled by drug gangs using difference-in-differences. I show that removing criminal rule increased electoral competition in pacified slums. After pacification, votes became more dispersed across candidates for city council, the party in power lost vote share, and candidates running for the first time performed better. To study the effect of pacification on public service provision, I constructed a novel dataset of public services that city councilors propose. I show that city councilors request more public services to pacified slums, but only in areas where they have a political base.

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