

Political Competition When Gangs Rule: Effects of Removing Criminal Governance

Pedro Pessoa*

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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. As a consequence, city councilors request more public services to pacified slums where they have a political base.

*University of British Columbia, Vancouver School of Economics, Email: pedromp@ubc.ca. I am grateful to Claudio Ferraz, Siwan Anderson, and Munir Squires for their guidance and invaluable support. I also thank Cesi Cruz, Vitor Farinha-Luz, Patrick Francois, Matt Lowe, Jamie McCasland, Nathan Nunn, and participants at 2021 Ronald Coase Institute Workshop 2021 and 2021 Southern Economic Association 2021 for their insightful comments. All errors are my own.