

## 7.2 ROOTS OF ORGANIZED CRIME IN THE AMAZON

by Regine Schönenberg\*

### Introduction

Crime comes into existence by definition. Consequently, crime correlates with values of societies and states as they define and execute rules and formulate laws.

The incorporation of the Amazon into the newly formed Brazilian nation took place in cycles that always responded to external demands and had weak institutional links to previously formed local structures. To make such a heterogeneous institutional landscape operational for the survival of the Amazonians, a dense social web of informal social, political, and economic exchange developed over the centuries.

To get to the roots of modern (transnational) organized crime throughout the Amazon region, one has to transcend the outward appearances of state structures and of concepts such as corruption and understand processes of transformation within the local webs of social reproduction and of economic survival.

### I. Perspectives

In political science the object of investigation is first and foremost the state, its relationship with its citizens, and the relations between states. For example, peace and conflict studies frames its scope of analysis frequently with reference to the role of the affected states and its institutions.<sup>1</sup> Since the turn of the century, debates on the changing nature of the state, especially regarding the non-OECD world, have grown (Migdal and Schlichte 2005). Increasingly, it became clear that societal regulation may not always take the form of an ideal-typical Weberian state

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1 | Cf. Forschungsfelder der Hessischen Stiftung für Friedens- und Konfliktforschung: [www.hsfk.de](http://www.hsfk.de)

but may vary with regard to the autonomy, outreach, and division of powers, as well as regarding the formation of social consensus, representation, and financing. Instead of treating diverging forms as incomplete and deficient, scholars, for example, of postcolonial studies (Loomba 2006) tend to describe them as *different*.

Additionally, during the last two decades, studies on globalization and unions of states such as the European Union, the Association of Southeast Asian Nations, and MERCOSUL, etc., have expanded. Discussions on state sovereignty, representativeness, and accountability toward its citizens reflect the problematic processes within such unions.<sup>2</sup>

In this context, organized crime is being discussed: as “shadow-globalization” (Stares 1996; Kurtenbach and Lock 2004; Naim 2005; Nordstrom 2007); within the analysis on the implications of the war on drugs on Latin America (Thoumi 2002; McCoy 1972; Jelsma and Roncken 1998); as part of US foreign policy (Andreas and Nadelmann 2006; Scahill 2007); as the subject of international cooperation (Jojarth 2009); and as an integral constituent of the state (Mingardi 1998). One crucial debate revolves around the question of whether organized crime is intrinsic to capitalist reproduction or a shortcoming of state regulation.

As a political scientist, I consider the above-mentioned discussions as constitutive for the framing of (organized) crime, but I will shift the focus toward the analysis of the local entanglement of transformative factors – regarding their inclusive or exclusive effects on social cohesion. From that point of view, policies – whether they are formulated in Washington, Brasilia, or Belém, or by a more or less coherent state – impact on local survival strategies, often with collateral effects beyond initial intentions. For example, the declaration of undifferentiated protection zones that conflict with local reproduction strategies might incentivize new systems of state corruption.

In Brazil, one sees all possible types of organized crime embedded in extensive and non-transparent social and political networks. In this article, I will focus on the specific situation in the Brazilian Amazon, where boundaries between informality and illegality are blurred, new laws and regulations become instantly incorporated into the local power balance, and where – due to understaffed and often corrupt local law institutions – impunity is still the norm.

## **II. Historic roots and current mechanisms of criminalization in the Amazon**

The reasons for transnational organized crime gaining leeway in many regions of the world are deeply rooted in history. In the Amazonian case, the known history begins with the raptorial occupation by foreign adventurers in the 16th century

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**2** | Cf. Forschungsfelder und Publikationen der Forschungsgruppe Globale Fragen der Stiftung Wissenschaft und Politik: [www.swp-berlin.org/de/forschungsgruppen/globale-fragen.html](http://www.swp-berlin.org/de/forschungsgruppen/globale-fragen.html)

who were aiming at fast riches based on the extraction of natural resources using a cheap labor force. The region and its indigenous inhabitants were confronted with alien laws and adventurers with an alien relationship to nature. When possible, they hid in far-away places and organized their survival *despite* the unfamiliar activities on their territories.

In principle, the described practice is still in place – it is just that the situation has become increasingly ambiguous and complex over time. Over the centuries, more and more migrants arrived and closely connected themselves to the different extractive cycles on different frontiers of the Amazon: gold, spices, rubber, nuts, timber, iron ore, bauxite, hydropower, meat, and lately, soy. Each economic cycle introduced new actors, new habits, and new rules – and more of the apparently inexhaustible nature was consumed. With decreasing access to land and natural resources, evasive survival strategies became scarcer. Consequently, conflicts regarding access to any resource grew, as did the complexity and incoherence of the legal framework for regulating such conflicts.

This is where the state comes in. Due to the magnitude of the Brazilian territory,<sup>3</sup> state formation predominantly took place as a private enterprise: The respective colonial representative entrusted a businessman or a soldier<sup>4</sup> with the occupation of a given territory.<sup>5</sup> Such a hereditary assignment included the rights to exploit nature and the people, to adjudicate them, to enforce colonial law, and to form colonial institutions. It is from this time that the social construction of the *patrão* originates, which describes someone with absolute power to solve all problems and to be the master of life and death. The idea of the state thus framed the activities of the *patrão*, if suitable; however, the same state was, and still is denounced as exercising outward interference in case it collides with the interests of the local *patrão*.

Over time, the situation became increasingly complex, since the interests of a multitude of actors overlap and state regulation remains contradictory and is enforced only sporadically. In the Amazon, in principle, the patronage system is still in place, which might be due to the fact that the concentration of cultivable land is constantly growing. The 2006 national agrarian census undertaken by IBGE, documented an increase of the GINI-Index regarding the Brazilian agrarian structure: 0.872 in 2006, 0.856 in 1995, and 0.857 in 1985. That means that smallholders with less than 10 ha occupy 2.7 percent of arable lands and owners of estates larger than 1,000 ha own 43 percent.<sup>6</sup> Current data shows that 3 percent of estates occupy 57 percent of arable land, whereas 4.8 million smallhold-

3 | 8.5 million km<sup>2</sup>.

4 | Always in conjunction with a priest.

5 | So-called capitanias: [http://en.wikipedia.org/wiki/Capitanias\\_hereditárias](http://en.wikipedia.org/wiki/Capitanias_hereditárias)

6 | [www.estadao.com.br/noticias/economia,concentracao-de-terras-aumenta-no-brasil-aponta-ibge,443398,0.htm](http://www.estadao.com.br/noticias/economia,concentracao-de-terras-aumenta-no-brasil-aponta-ibge,443398,0.htm)

ers are landless and waiting for the implementation of the agrarian reform.<sup>7</sup> For formally powerless peasants without land or without land title, informal institutions like the *patrão* gain strength.

Either one *patrão* or a number of competing patronage networks determine each locality, region, and issue – they are relatively easy to identify – their well established economic, social, and political networks guarantee their power. Those persons, and respectively their (family) networks, are involved in everything of importance and cannot be overruled without a major conflict. Conflicts arise among such networks or if new elites are introduced due to new economic activities or new regulations. Usually, new and old elites negotiate under the roof of common organizations such as the Freemasons and Lions Clubs. After a while, they find new common ground without allowing state interference or advantages for their perceived adversaries, such as organized civil society. With this basic social structure in mind, we will now discuss the implications for transnational organized crime.

Since the division of municipalities is ongoing in the Amazon, one can presume that the penetration of more abstract legislation – accompanied by varying state capacities or the will to impose such laws – is underway, too. Often, abstract laws do not correspond with the local pattern of socioeconomic reproduction and, hence, will lead to the creation of new, informal institutions of mediation between abstract legal sets of rules and those that are local and informal. In the better case, such mediation happens through negotiation processes between local associations and state representatives; in the worst case, informal networks are being transformed into illegal networks by corrupting gatekeepers who manage to control state inspectors.

In more general terms, one can correlate the proliferation of organized crime in the Brazilian Amazon with the illegalization of local economic activities – the latter being a collateral effect of ill-defined state regulation.

### III. Social transformation, global economic flows, and trafficking routes

One great experience while researching organized crime is to learn that all stories are interconnected through powerful processes of social transformation that are driven by fairly invisible global economic flows with their accompanying cross-effects (Nordstrom 2007). In the case of the Brazilian Amazon, we talk of the accumulation of the following cross-effects, which certainly can be found in many post-colonial settings:

- The original purpose of state institutions was the administration of extractive activities and not the well-being of the location itself – a history that is being incorporated into the practice of current state institutions.

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7 | [www.sasp.org.br/index.php/notas/75-concentracao-de-terras-na-mao-de-poucos-custa-carro-ao-brasil.html](http://www.sasp.org.br/index.php/notas/75-concentracao-de-terras-na-mao-de-poucos-custa-carro-ao-brasil.html)

- The post-colonial state has treated the region as a periphery – meaning the laws and development plans are directed by the interests of the Brazilian center-south, thereby marginalizing the needs of an extremely heterogeneous region such as the Amazon.
- The global demands for natural resources such as energy, minerals, timber, meat, soy, and lately, land, are being met without considering regional development.
- On the other hand, the local access to national, regional, and international markets and to credit is being blockaded by norms and standards that local production forms cannot meet.
- State institutions are too weak (capacity, budget, integrity) to be able to mediate and regulate this increasingly precarious situation – as Amazonians often live at a great distance from state institutions, suffer from generalized impunity and the constantly growing importance of informal power structures and gatekeepers.

In the case of the Brazilian Amazon, the fact that it borders on Peru, Bolivia, and Colombia – the major coca and cocaine production sites of the world – makes it an almost natural trafficking route to Europe. However, two further factors have helped to connect the local vulnerabilities described with the international trafficking routes. First, the effects of the US-financed and steered Plan Colombia, which closed various preexisting trafficking routes and made it cheaper to utilize the longer and slower Amazonian routes. Second, the fact that the Brazilian central government enjoys much greater sovereignty than the Andean states has made it almost impossible for US counter-drug measures to penetrate Brazilian territory.

A further local specificity has fostered the interconnection with transnational crime routes: It is commonplace for the Amazonian informal economy to incorporate new products into existing structures without endangering stable informal proceedings, such as, for example, the trading of illegally cut timber or illegally produced meat. As a consequence, Amazonian cocaine trafficking happened quite peacefully and proved to be a secure enterprise for the clients. The fact that informal power networks dominate the local state and juridical institutions makes it easy and cheap to guarantee the smooth transport of cocaine on Amazonian routes to the south via Mato Grosso, to Suriname via Amapá, or to Rotterdam via Amazonas and Pará.

#### **IV. Internal consequences of the illegalization of economic activity**

Various interconnected impacts of the above-mentioned trend toward a formalization of the internal social and economic structures can be observed. The most relevant in our context is the growing social vulnerability caused by the exclusion

of people from economic activities combined with the steady growth of informal power structures and powerful gatekeepers.

In the Amazon, apart from some city dwellers, the majority of economic protagonists contributes to a type of greater family economy that relies on a mix of economic activities. One example for the poorer segment of Amazonian society: subsistence agriculture and some cash crops, some cattle, some fishing, some gathering, one job in a local factory or industry, one job in the municipal administration, one pension, etc. One example for the richer segment of Amazonian society: cattle farming and/or timber trading and/or soy production, some family members own a construction firm, others own a supermarket and/or a petrol station, one works in the city administration, one son is a lawyer, one daughter a doctor, etc.

The higher the diversity of income sources, the higher the resilience of a given locality and family, and vice versa – the lower the diversity of economic activities, the higher the societal vulnerability to socioeconomic transformation.

### **Case study: Abaetetuba/Pará**

One good example is the small east-Amazonian town of Abaetetuba, where the sheer number of factors contributing to the social transformation of almost all sectors of economic life – without the addition of any significant new legal activity – is exceptional: illegalization of the fishing sector via inadequate and badly compensated closing seasons; illegalization of the bricks industry via labor laws; illegalization of the cachaça industry via labor and sanitation laws; combined with cheap food and cachaça imports and ISO standards for local products, this has led to the total collapse of the local economy between 1975 and the mid-1990s.

In addition to the described processes, Abaeté looks back on a 100-year smuggling tradition due to its being surrounded by hundreds of islands. It was not long before the small town, situated on the route to Suriname, came into the sights of drug traffickers during their search for a new route for cocaine-arms swaps of Colombian traffickers suffering the effects of the Plano Colombia. Knowing about the decay of the local economy, the vulnerability of Abaeté for becoming an Amazonian hot spot for drug trafficking was no surprise: Old fur and cigarette routes can easily be transformed and, in this case, even the old local elites who control the activities of the local state and act in cooperation with the local church remain in charge.

Detailed in: Schönenberg (2002), Drug Trafficking in the Brazilian Amazon, chapter 6, in: [www.unesco.org/pv\\_obj\\_cache/pv\\_obj\\_id\\_4A9457FB7DFF1BF4E9D03208B7CAD783FA331600/filename/drugs\\_vol2.pdf](http://www.unesco.org/pv_obj_cache/pv_obj_id_4A9457FB7DFF1BF4E9D03208B7CAD783FA331600/filename/drugs_vol2.pdf)

With the introduction of innumerable new laws and regulations, accompanied by new institutions and the people who access those institutions, the whole socio-economic equilibrium of the Amazonian hinterlands has been transformed within the last 30 to 40 years, leading to a simplification and an ever-increasing socioeconomic vulnerability of its populations.

Since governmental efforts to incorporate local populations into the new ways of economic life are almost nonexistent, the capitalization and formalization of the region has not corresponded with the growing adherence to the new logic and to the rule of law – the latter because the rule of law cannot be implemented due to incompetence, ignorance, and the lack of financial resources. On the contrary, informal networks have been monopolized and have become more powerful because more people began depending on them to be able to organize their economic survival. Each license requires negotiating an array of bureaucratic hurdles, and that can often only be accomplished informally<sup>8</sup> – meaning: by paying a bribe or by being owed a favor. “Owing someone a favor” is often the gateway for criminal involvement since it often makes it impossible to say “no.” Regarding the active side, we are talking about money laundering and the transport of cocaine. The latter is done either alongside the legal transport of timber, fish, agricultural products, or using the thousands of non-registered airstrips on Amazonian farms; the former, predominantly, by means of public bidding procedures and ghost investments. The fact that abundant money is available for bribing impacts negatively on the local democratic culture and reconfirms the already widespread impunity of the whole region.

## V. Outlook

The assessment of the possible future of criminal involvement within the Amazon region of Brazil will be focused on different aspects of state conduct and the reaction, respectively action, of the concerned civil society. People affected by the criminalization of their worlds will form part of this balance, too, and new ideas of human development that eventually sprout locally and globally might impact positively on local history.

**Regional development:** A great share of the Brazilian Program of Accelerated Growth (PAC – Programa de Aceleração do Crescimento<sup>9</sup>) is planned to be realized in the Amazon. Apart from many undisputed investments such as in sewage

**8** | Due to the fact that the local capitals of the municipalities are often situated hundreds of miles away from the affected citizens, a direct contact with state bureaucracy is rarely possible in the Amazon; usually such tasks are delegated to powerful gatekeepers of the concerned locality.

**9** | [http://en.wikipedia.org/wiki/Programa\\_de\\_Acelera%C3%A7%C3%A3o\\_do\\_Crescimento](http://en.wikipedia.org/wiki/Programa_de_Acelera%C3%A7%C3%A3o_do_Crescimento)

systems, new schools, and hospitals, the construction of numerous hydroelectric dams will cause continuous social upheaval, displacement, and disturbance of local economic cycles. The Brazilian involvement in the transcontinental infrastructure program Initiative for the Integration of the Regional Infrastructure of South America (IIRSA),<sup>10</sup> which aims to integrate the continent from the point of view of infrastructure development and to open up export corridors to the Pacific, will change the local realities of affected populations – in most cases they will not be targeted as part of the infrastructure development and their possibilities for socio-economic participation will be reduced. At the same time, global environmental pressure is constant in many global and national contexts where the Brazilian state is taking part. Although the environmental policy field is not as strong as, for example, economic policy, the government has to respond to a number of claims and will do so by decreeing protective measures – again, without studying local socioeconomic impacts or even offering economic alternatives.

**Brazilian climate policy:** Two important pillars of the official Brazilian climate policy are the construction of hydroelectric dams and the production of agro-fuels (soy and corn). In both cases, the government claims that it contributes to the reduction of CO<sub>2</sub> emissions by reducing fossil energy consumption. The side-effects for affected populations are the disturbances in their economic cycles as well as their access to basic resources such as fish and land, which are needed for simple subsistence.

**Brazilian agricultural policy:** The above-mentioned exclusion from local informal socioeconomic reproduction is reconfirmed by the fact that governmental safeguarding strategies, tax-incentives, credit lines, and international trade agreements target the booming sector of agro-industry and disregard the typical Amazonian smallholder without a land title, without venture capital, and without access to more profitable markets.

**Brazilian implementation of national and global trade rules:** The latter is being done through norm implementation (labor/sanitation/ISO) and often corrupt enforcement (bribing claims) that will further limit the capacity for economic survival.

**Brazilian policy of implementing the rule of law:** The presence of Brazilian state institutions, which are responsible for the enforcement of predominantly federal laws, remains sporadic in the Amazon. Even regions where economic activity has been curtailed due to massive deforestation do not have permanent representation within the responsible federal environmental institution (IBAMA). Consequently,

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**10** | [http://en.wikipedia.org/wiki/Initiative\\_for\\_the\\_Integration\\_of\\_the\\_Regional\\_Infrastructure\\_of\\_South\\_America](http://en.wikipedia.org/wiki/Initiative_for_the_Integration_of_the_Regional_Infrastructure_of_South_America)

impunity remains the norm in the Amazon – although the public prosecutors of the so-called *Ministério Públicos* try to reverse this. In cases where a concerned locality is situated next to a cocaine route, the distance between local elites and the government is escalated via abundant drug money for bribing representatives of the state and the judiciary.

**Civil society:** Civil society's capacity to unite and focus a large number of small protest issues into a comprehensive claim for a different development model has been limited until now due to the great heterogeneity of the involved actors. Those who are interlinked with global civil society through project financing and who have different access to information and support remain, in most cases, distant from the affected populations. Mostly, cooperation efforts are being organized around concrete campaigns and disintegrate soon thereafter. Additionally, Brazilian civil society has suffered from the fact that *their* party formed the government, and it has only slowly regained its dynamic as an opposition movement.

**Amazonians:** Amazonian populations,<sup>11</sup> be they comprised of indigenous peoples, smallholders, or medium-sized farmers, struggle with a declining patience toward state institutions, new regulations, programs, and even participatory development proposals. This is because their experiences, for at least three generations, was to be neglected and marginalized as far as their specific economic, social, and cultural needs were concerned.

**New lifestyles:** Recently, consumption patterns and lifestyles in big cities all over the world have changed – exotic products, preferably organic and Fair Trade from far-away regions – are being incorporated into alternative trade cycles. Additionally, communication technologies have helped to bridge the information and communication gap between like-minded people, no matter where they live. Due to this trend, an increasing number of Amazonian products<sup>12</sup> are being sold worldwide and new economic and social networks have been formed – still on a small scale, however.

Considering all of these aspects, the tendency toward marginalization, exclusion, and, hence, declining resilience of the social fabric of the Amazonians, seems to be inevitable.

Whoever is the first to offer social integration, participation in economic life, and a vision for a viable future will gain the support of the network – *apadrinhamento* in Portuguese.<sup>13</sup> The following institutions will function as goodparents: inefficient, incoherent, and often corrupt state institutions; local power networks

11 | Approximately 26 million (20 million rural).

12 | Açai, Guaraná, Brazil nuts, Acerola, rubber, etc.

13 | Meaning: endorsement by one's godfather, that is, sponsorship.

of different formats and degrees of informal/illegal/criminal involvement; a church; the Labor Party (PT), where it exists; a big NGO; the Freemasons and others. The choice is not exclusive and the mix depends on the history of the specific location – as does its outcome.

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