CORPORATE SECURITY GOVERNANCE AND THE „INTRINSIC LOGIC" OF RIO DE JANEIRO AND SÃO PAULO

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Resumen: El artículo se focaliza en el rol de las compañías transnacionales como autoridades privadas para gobernar a través del crimen en la ciudad mundial Río de Janeiro y la ciudad global San Pablo. Dada la alta vulnerabilidad de estos actores globales a la violencia urbana y el crimen, las compañías deben involucrarse en la gobernanza de la seguridad en ambas ciudades a fin de asegurar la continuidad de sus negocios. Utilizando un enfoque comparativo, el artículo argumenta que las oportunidades individuales y colectivas de las compañías transnacionales para contribuir a la negociación sobre seguridad en áreas propensas al conflicto en Río de Janeiro y San Pablo, y sus implicancias espaciales, revelan la —lógica intrínseca" de ambas ciudades.

Palabras clave: Seguridad corporativa, gobernanza de la seguridad, ciudades globales, compañías transnacionales, Río de Janeiro, San Pablo

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Abstract: The article focuses on the role of transnational companies (TNCs) as private authorities to govern through crime in the World City Rio de Janeiro and the Global City São Paulo. Given the high vulnerability of these global actors to urban violence and crime, companies have to engage in security governance in both cities in order to ensure their business continuity. Choosing a comparative approach I argue that the individual and collective opportunities by transnational companies to contribute to the negotiation of security in conflict-prone areas in Rio de Janeiro and São Paulo and their spatial implications reveal the 'intrinsic logic' of both cities.

Keywords: Corporate Security, Security Governance, Global Cities, Transnational Companies (TNCs), Rio de Janeiro, São Paulo

I. Introduction

Brazil, as one of the four most important emerging markets, has experienced continuous economic growth after following the successful implementation of macroeconomic reforms in 1994 and the financial crisis in 1998 (Fritz 2002). The ongoing currency stability and the overall robust economic performance have increased foreign and domestic investors' trust. Although it was affected by the impacts of the 2008 world financial crises, Brazil's economy recovered on a much faster scale than those of most other countries in the northern hemisphere.[1] Hence, it is interesting that one of the main obstacles hindering further economic growth is not directly linked to legal or political interventions, but rather to large scale urban violence (Osório 2005).

In contrast to the mainstream idea this article argues these developments are not only limited to local factors. As global developments

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[1] Brazil's GDP growth rate reached 7,5 percent in 2010. see: Germany Trade & Invest. WirtschaftswachstumBrasilien 2010 at:
 http://www.gtai.de/GTAI/Navigation/DE/Trade/maerkte,did=80214.html (June 12, 2012).

do not follow a linear and teleological path, it is the growing interdependence which is likely to increase complexities and uncertainties. The growing complexity of human interaction for example finds its reflection in the rise of ―violent markets‖ (Elwert 1997)in Brazil's cities. Following this line of argumentation, the limits of spatial governability and the increase in urban violence in world and global cities, such as Rio de Janeiro and São Paulo, point to the difficulties to uphold historically grown and perpetuated socio-spatial configurations at the current stages of globalization. With national and local governments lacking the resources, being territorially bound or legally constrained to comprehensively provide security for its citizens, other actors such as private authorities in the form of globally operating transnational companies (TNCs) are increasingly emerging as actors trying to steer courses of events according to their very own security interests (Hall and Biersteker 2002).

Given these trends, this article focuses on the influence of transnational corporations in the security governance of conflict prone cities. By doing so, it aims at depicting what has been described as the ―intrinsic logic‖ of cities (Löw 2008, 65-115; Berking 2008). If this very concept of ―intrinsic logic‖ refers, as Martina Löw has suggested, ―praxeologically to the hidden structures of cities as locally habitualized, mostly tacit, pre-reflexive processes of meaning constitution (*doxa*) and their corporeal-cognitive embeddedness (*habitus*)‖ then the comparative analysis of long-term and relatively stable security configurations allows as much assertions about this ―logic of place‖ as the local impacts of a transnational company's attempt to generate security within the complex social interplays characterizing the ―hidden structures‖ of a city[2].

In order to illustrate the argument, the opportunities and limits of corporate security in Rio de Janeiro's neighbourhood of Jacarepaguá and São Paulo's Characa Santo Antonio shall serve as examples to highlight different options to govern through crime in conflict-prone city regions of both cities.

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[2] For the importance of place see (Berking 2006, 7-24).

II. Socio-economic and geographic factors related to violence

Brazil's major cities find themselves confronted with a vast increase of urban violence and high level of crime[3] (Cequeira and Carvalho 2007, 7-8), and TNCs depending on a secure and functioning infrastructure have shown to be particularly affected by those social phenomena. As a result, business continuity for Rio and São Paulo based companies can in many cases only be achieved if distinct strategies to negotiate security are implemented. Therefore, particular socio-economic and geographic factors existing behind violence and crime have to be taken into account.

Although representing Brazil's second strongest economy according to its gross domestic product (GDP) and the second smallest territory in Brazil, the state of Rio de Janeiro for example is, according to the GINI index, considered a city with one of the highest level of social inequality in the southern hemisphere.[4]

Rio is primarily an industrial area and touristic centre, which however accounts for the highest increase in poverty and misery rates among Brazil's most developed states. These precarious human development indicators come along with the state's second largest illegal occupation of disorganized land and the second highest rate of slum expansion in the nation.[5] Favela inhabitants living in these zones of marginalization face social stratification as well as geographical exclusion.

Moreover, the integration of Rio de Janeiro into the transnational flow of cocaine from Columbia and Peru turned many of the currently one thousand and twenty favelas[6] into local posts for the global drug trade. The

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[3] The costs of violence in Brazil in 2004 added up to 92,2 Billion Brazilian Reais (which equals 5,09 percent of Brazil's GDP). While 28,7 Billion Reais were spent on public security, 60,3 Billion Reais were spent on tangible and intangible costs.

[4] URL: http://www.armazemdedados.rio.rj.gov.br/ (downloaded on April 2, 2009).

[5] Moreover, the city accounts for the highest percentage of people residing in sub-standardized housing (9.67% in 2000). See: PNDU – Atlas of Human Development in Brazil –in: *The State of Rio de Janeiro Strategic Plan 2007-2010.*, pp. 12-14.

[6] Favelas are defined as: ‗physical manifestations of social and economic disparity in cities, as well as visible reminders of the impromptu, unplanned character of rapid

latter are being occupied by either one of the three main drug factions, which have implemented strict codes of conduct among favela residents (Zaluar 2004; Dowdney 2003, 52-77). As a consequence, high levels of violence within shanty towns result from gang-related fights with police forces as well as from disputes between rivalling factions. Drug dealers have adapted to the predictable pattern of police operations inside favelas. Thus, while police forces are occupying shanty towns in order to fight drug traffickers or to regain territorial control, crimes tend to shift to areas outside the local slums and threaten business operations. Violence then increases due to the fact that, as has been reported, an entire illegal gun retail industry has emerged inside those shanty towns distributed for robberies outside shanty during police invasions.[7]As a result, robberies and violent assaults constantly affect companies' development, since most of Rio's industrial areas are surrounded by shanty towns and their high level of violence.

On the other hand, São Paulo's situation varies from the one characterizing Rio in many ways. The sprawling city has always been referred to as the nation's economic locomotive and represents Latin America's biggest financial centre. In sharp contrast to Rio, the city was less bound to expand geographically from its center to the periphery. However, São Paulo's urban structure has changed from the 1980s onwards and appears highly fragmented and segregated (Caldeira 2000, 231-232). While the population in neighbourhoods (consisting of the middle- and upper classes areas) in São Paulo's centre decreased, these income-classes started to resettle in parts of the northwest and southern metropolitan region. However, the economic crisis and mass unemployment in the 1980s decreased also the chances for the low-skilled working poor to buy their own houses. As a result, many of the urban poor were forced to settle in favelas. Labour migration from the country's northeastern region enhanced this trend. Although the shanty towns (favelas) expanded rapidly in São Paulo and adjoin to some middle- and

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urbanization." –in: Human Security for an Urban Century. Local challenges. Global Perspective (2007).at: Humansecurity-cities.org., p 37.
[7]Interview with Prof. Cesar Honorato, PhD. (State University of Rio de Janeiro, UERG) on May 5th and November 25th 2008 in Rio de Janeiro.

upper class areas (as in the case of Paraisopolis in the urban district of Morumbi) as well, they do not surround higher income neighbourhoods to the same extent as in Rio. With the decline of the city's industrial importance, the tertiary sector (investment banking, finances, service sector) emerged as São Paulo's economic backbone. The city's economic transformation found a reflection in the emergence of its characteristic Global City architecture and the increase in social segregation. Sky-scrapers, shopping malls and gated communities contrast a large scale increase in favelas and *cortiços* on the city's periphery.

However, crimes such as armed robberies and theft in most of the city's business districts tremendously outnumber those in Rio. São Paulo's criminal situation shows a high state of professionalization, since the First Capital Commando (PCC) has established a highly hierarchic organisational structure.[8] Operating out of São Paulo's prisons due to their leader's imprisonment, the PCC mainly recruits its members from favelas at the city's periphery. While the cocaine trade represents their main source of income, their activities as well as their political influence are incomparably higher in comparison to the Rio case.

III. Impacts of violence on the economy of Rio de Janeiro and São Paulo

Although almost all major cities in Brazil have experienced a vast increase in urban violence and crime over the last twenty years, those representing key junctures in the international drug trade, such as Rio de Janeiro and São Paulo, are the most violent Brazilian ones[9] (Lemgruber 2006, 61-74). While there is no official number of companies having left the country due to the urban violence, the impact on Brazil's overall economic performance is significant and poses the biggest problems for companies operating in the country. According to the World's Competitive

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[8] Veja Reportagem Especial. *Crime. As raízes, a impunidade, as soluções,* January 10th, 2007, pp. 64-5.
[9] Due to their main sea- and/or airports, Recife, Rio de Janeiro and São Paulo represent the most violent cities.

Index, it is this very problem which keeps the country from growing at a faster scale (Ströh, 2005).

The city of Rio de Janeiro alone has lost an estimated eight percent of its GDP due to the growing level of urban violence and crime in 2008.[10] Companies have left the city and the metropolitan area of Rio de Janeiro in order to escape growing numbers of assaults, injuries and murder (Lemgruber 2003, 17-29; Lemgruber 2006, 61-74) of company personnel as well as robberies and theft in- and outside company facilities.[11] Other criminal acts such as shootings and express kidnappings (in order to rob a person's private bank accounts) remain on a high level.[12]

Rio based companies find themselves affected by urban violence in a variety of ways. To begin with, the city depends largely on a functioning system of public transportation, although it has been frequently left in chaos when main transit roads are blocked or the buses are forced to stay in their terminals due to war-like battles in the city's shanty towns. As a result, employees in all parts of the city are frequently not able to reach their working destinations, as well as supply chains have frequently been interrupted as necessary row materials could not be delivered to and end-products could not leave from company production facilities. Some Rio based companies could therefore not meet delivery business agreements and some companies located near shanty towns reported on declining contract conclusions.

Another major long-term disadvantage for Rio based enterprises result from the city's declining reputation. In this sense, companies in Rio de Janeiro's west zone face increasing problems to attract skilled international and local employees. Some foreign company managers reported on assaults committed against them and their families outside companies on a regular basis despite 24 hour personal security protection, and in other cases, employees have been severely injured or killed during assaults or by ―lost bullets" striking them while drug-related fights in the nearby shanty towns occurred.

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[10]See: Ijet Report November 2008.

[11] Jornal O Globo (Segunda Edição). *Revitalização do Rio.* August 31, 2005.

[12] URL: Estatísticas de Segurança Pública – RJ at:
http://www.isp.rj.gov.br/Conteudo.asp?ident=150 (downloaded June 30th, 2006).

Furthermore, crimes committed against company personnel do not merely jeopardize their physical integrity and well being. Break-ins at both their homes and company facilities might affect the company as a whole. In certain cases, companies lost confidential information restored in laptops, files, bags, hard discs and other items. The loss of confidential information might cause severe implications such as tremendous financial deficits.

On the other hand, four hundred and thirty kilometres to the southwest, São Paulo repeats Rio's agony at a much larger scale. With a population of twenty million inhabitants residing in its metropolitan area, Brazil's biggest financial-, banking and economic centre São Paulo represents Latin America's only global city (Sassen 2001), where urban violence and crime affect companies' businesses, as well.

Express kidnappings, robberies, and break-ins into private homes and company facilities have become a daily routine. Kidnappings of company employees in order to extort ransom are frequent, enhanced by high numbers of national and international managers in the city, the knowledge about financial capabilities of TNCs and the state's geography, which makes it easier to hide potential hostages in the interior of the state.

Although gun fights between drug factions and the police are to a lesser extent likely to affect business operations for companies based in São Paulo due to described urban geography, the attempts to limit the PCC's activities are frequently answered with planned revenge attacks on governmental and commercial buildings. As a result shopping malls and stores had to close and some companies were forced to stop their production.[13]

Despite these severe security problems however, individual companies and/or business districts in Rio de Janeiro and São Paulo have been able to establish relatively stable business environments.

Given the lack of resources to provide adequate policing and investigation methods by the police in both cities, governing through crime by companies can both contribute to the enhancement of human security and the perpetuation of processes of spatial fragmentation. Both tendencies are largely depending on the cities ―intrinsic logic".

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[13] Revista Época. *São Paulo, 15 de maio de 2006*. (19/5/2006) Edição No. 418.

IV. Security Management: Think globally, and act locally

Corporate security management in TNCs exists in order to guarantee a companies' unconstrained ‗business continuity'. Therefore it is perceived as the underlying strategy aimed at enhancing the overall value of a company by adapting to changing security environments on a worldwide scale (Bracken, Bremmer and Gordon 2008).[14]However, due growing global connectedness and interdependence the private organizations' vulnerability has increased tremendously. Today, security managers have to consider various globalization risks, to possible security risks resulting from political transformations up, up until distinct local crime patterns.

The growing risks[15]likely to affect a globally operating organization have led to an increase of *uncertainty* inasmuch as their qualitative and quantitative impact cannot be defined[16]. As such, the scope and predictability of future events are limited. In conflict prone areas, such as Rio de Janeiro and São Paulo, uncertainty is deliberately increased by state and non-state actors using violence as a means to force actors into compliance, to gain power and to extort financial resources (Collier 2000). In these local areas, transformation risks started to overlap with newly emerging globalization risks (Daase 2008, 479) and represent a key characteristic of areas of limited statehood[17].

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[14] Risk management has expanded considerably over the last years in all spheres of public life. Public agencies, health centres, banks as well as transnational corporations have become dependent on new methods and technologies to secure their daily operations. From (proliferation of) weapons of mass destruction, global terrorism, energy availability to growing states of limited statehood, the risk potentials for transnational companies have grown considerably over the last 20 years and affect public and private actors in a different way. As a result, the term ‗risk management" takes on a different meaning for different people. It is being interpreted according to a certain individual's or group of people's interpretation of a given situation.

[15] Ian Bremmeret. al. (Bracken, Bremmer and Gordon 2008, 4) define risk as the result of likelihood of the occurrence of an event and the consequences.

[16]From a system-theoretical perspective, Japp (2003, 83-85) speaks about the „unspecific nescience‖about the materialization of risks

[17] According to Risse and Lehmkuhl (2006) large parts of Rio de Janeiro can be characterized as such as the monopoly on the legitimate use of force is not being excised by state authorities.

Consequently, a ‗global security logic' has emerged inside TNCs[18] and the construction of security is focused on the *probability* of a risk's occurrence and the *severity* of a risk's materialization. Vulnerability analysis or risk assessment is therefore considered a tool aimed at reducing complexity (Keat 2008). While having to consider a high amount of factors, two stand out: people's behaviour and systems of public security in order to secure business continuity.

V. People‟s behaviour

As most risks are caused by the actions of human beings, the prime concern of security thinking takes the possible behaviour of people into consideration. Although the organizational culture and the corporate behaviour vary due to the field of business a company operates in, its size as well as prevailing social norms, values and business ethics, the control function of TNCs in the field of security is becoming increasingly channelled and constrained due to growing complexity of their operations.

The challenge to provide transparency and legal access for state actors to monitor compliance of domestic and international business regulation goes along with increased internal surveillance and external environment control. Inasmuch, new aspects of corporate security became securitized. Internal surveillance on company territory and environmental control in areas companies operate in can only to a very limited degree be distinguished from one another as employees and customers are coming

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[18] As Zamith Cardoso (2007) has explained, inside Brazil, TNCs have shown to be vulnerable in the area of logistics, have (almost always unconsciously) engaged in tax defraudation, the manipulation of book-keeping and have been used for the purpose of money laundering of earnings from the drug trade. Furthermore, TNCs are vulnerable to money laundry, economic espionage, transnational proliferation of stolen goods and reputational risks. Company security has changed tremendously in Brazil. As Zamith has shown, a company security's prime goal during the military dictatorship was to do intelligence work on the employees in order to detect possible regime enemies. As a result, most Brazilian companies are not prepared to tackle risk factors as those described.

into and leave on a routine basis.[19] Looking at it from a security risk perspective, a company will therefore restrict employment and access of those employees inside companies, which they most likely consider a potential harm. As urban societies are highly dynamic, the opportunities for security managers to act within these conflict-prone areas for example vary. As a result, calculations regarding the vulnerability in a given place depend on predictions regarding their perceived environment and entail a cultural dimension. In order to prevent harmful events from materializing, environmental protection depends on the evaluation of long-term developments of complex entanglements of social linkages (Voss 2006).

VI. System of Public Security and Police Forces

One of the main complains emphasised by security managers is the lack of trust in the state governments to bring about reforms in the system of public security.[20]The local culture to create public security is therefore taken into account when adapting a proper security strategy for companies conducting business within Brazil.

For the last twenty-four years Rio de Janeiro's state government apparatus has been characterized by inefficient management, institutional disorganisation and poor quality in public spending. Although public expenditure was increased in the fields of education, health and safety, the quality of life for the vast majority of Rio's population has not shown significant signs of improvement. As key decision making actors belonged to different parties, patterns of action on the political level have been

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[19] The necessity to let people transcend company borders opens the opportunity of gains but also posses the risk of major loses. Theft and robbery of goods and knowledge etc. as well as frequent violent actions in the area of company locations not only bare the chances for jeopardizing an organization's reputation, modern technology has also made it easier to commit these acts.

[20] However, the lack of trust in the state governments by security managers was higher in Rio than in São Paulo (Interviews with 15 corporate security managers between 24 March 2008 and 28 May 2008).

characterized by low level synergy between federal, state and municipal governments.[21]

Up until now, no coherent public security policy exists in the state of Rio de Janeiro. The level of cooperation and exchange of information on committed crimes between the investigating civil police and the ostensive military police remains low. The Military Police continues to follow traditional military pattern of invasion, combat, arrest/killing and withdrawal instead of criminological pattern to investigate crimes. Rio's police brutality[22] and their extra-legal methods in order to combat drug trafficking, but also to oppress and extort money from middle class citizens are well documented[23]and transformed the non-rival good of public security into a commodity. Being backed by police impunity, public spaces in Rio's west zone are characterized by violence, insecurity and the privatization of security, and poor people often search for protection by drug factions rather than the police (Caldeira and Holston 1999, 695).

Despite structural similarities, the government of the state of São Paulo has conducted changes over the course of the last five years in its system of pubic security. While numbers of homicides and police killings remain on a high level in Rio, statistics show a significant decrease in homicides and police killing in São Paulo.[24] The decline is associated with improvements in police investigations and police training, which has led to higher numbers of arrests.[25] Furthermore, police strengthened cooperation and round table meetings with civil society actors. Thus, Public-Private

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[21] The State of Rio de Janeiro Strategic Plan 2007-2010', 12-14.

[22] According to Lemgruber (2005, 23) in 2003, the Rio Police officially killed 1195 people. And according to Pereira (2008, 196) in 2006, 1063 people were killed by the police.

[23] Analysing autopsy files of those killed in combat related fights, Cano (1997) and Soares (2000) showed that approximately 50 percent of those reportedly killed by police in self-defence had been assassinated.

[24] The murder rate of 49,3 per 100.000 inhabitants in 2001 dropped to 9 per 100.000 in 2011. Secretária da Segurança Pública online. *Capital reduz homicídios para 9 a cada 100 mil habitantes*. URL:
http://www.ssp.sp.gov.br/noticia/lenoticia.aspx?id=26648 (downloaded 30.06.2012).

[25] According to Lemgruber (2009) São Paulo's police arrests 1851 for every person they kill. In Rio de Janeiro, for every person the police kills, they 265 suspects get arrested. O Globo, November (downloaded 20. January 2009).

Partnerships with the business community have emerged, and the implementation of community police has shown to be successful in parts of the city as well. And although robberies and thefts are still increasing[26] alternative approaches to organize security are becoming apparent in São Paulo, today.

Following this line, the subsequent development will be aimed at uncovering the ―intrinsic logic‖ of Rio de Janeiro's and São Paulo's security mentality, throughout the analysis of TNCs' business strategies in two major regions in both cities: Jacarepaguá and Chácara Santo Antonio.

VII. Violence and security management in Jacarepaguá (Rio de Janeiro)

The root causes for security problems in the administration district of Jacarepaguá date back to the 1950s and 1960s, when decisions to intervene in public space by city authorities led to the relocation of unwanted favelas. Shanty town inhabitants were resettled in newly created housing projects in the city's west zone, in a neighbourhood called Cidade de Deus. However the derivations of the relocation were widely ignored, the composition of families with different ethnic backgrounds destroyed respected social structures and created a more hostile atmosphere and territorial conflicts (Zaluar 1985).

In the early 1970s the Chagas Freitas government (1971-1975) promoted the installation of a pharmaceutical hub in the area. Jacarepaguá became an integral part of the city's economic expansion and the area is home to some of the world's biggest ―Fortune 500 companies‖ today. Beside the pharmaceutical sector, the food- and beverage industry, Latin America's biggest television- and movie production studios (PROJAC), Rio's international motor-racing and former Formula 1 circuit as well as large parts of the sport facilities used during the 2016 Olympic Games, are located in the area of Jacarepaguá.

Given the vast expansion of a variety of business sectors, it doesn't come as a surprise that currently Jacarepaguá accounts for the biggest

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[26] URL: http://www.ssp.sp.gov.br/estatistica/dados.aspx?id=565 (10.09.2010)

expansion of favelas in Rio de Janeiro. As the industrial complex grew, neighbouring favelas increased alongside. With 204.358,3 m2 of Rio's overall slum expansion of 250.279 m2, the administration district accounted for the biggest territorial growth of shanty towns between 2002 and 2007 in the state of Rio.[27] As a result, almost all company facilities and the main streets are surrounded by slums.

This geographical aspect poses a major problem because of high volumes of street traffic and highly insufficient amounts of roads. Frequent traffic holdups have proven to be ideal opportunities for robberies, and as shanty towns are located next to the main roads, robbers can easily attack trucks and disappear with stolen goods.[28] Therefore, cargo theft became a prime occupation for security managers in the area.

As Rio's police do not possess the necessary resources nor the proper training to investigate crimes efficiently and are sometimes involved in crime activities themselves, corporate security managers have been forced to implement alternative methods to deal with the problem of crime in their area.

Technologies used by companies to exercise influence over a course of events vary widely and are largely influenced by the company culture. Situational Crime Prevention (SCP), understood as ―measures intended to exclude potential offenders from factories and apartment buildings" (Hirsch and Shearing 2000, 88) represents a first and most common measure. It has been installed to an extensive degree all over Rio de Janeiro and contributed to the overall fragmentation of public space. In Jacarepaguá CCTV surveillance, motion detectors, electric fences and gates as well as high amounts of private police companies are guarding the company sites. However, internal company measures have to be complemented by an effective environmental management in conflict-prone areas.

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[27] Sistema FIRJAN.'Expansão das favelas cariocas',Carta da Indústria (Ano IIIV Número 358, 2007).

[28] This is of especial importance for the pharmaceutical industry. Even the attempt to rob a warehouse or trucks loaded with pharmaceutical products can lead to high financial loses. For health reasons, the opening of the outer container can lead to the obligation to destroy the entire loaded content.

In order to prevent victimization the majority of companies decided to employ only a smaller amount of people residing in Jacarepaguá's shanty towns and even less from the slums directly surrounding company factories. Among other incidences, this policy was applied after collectively organized robberies made possible by the passing of information about truck routes to criminals residing in neighbouring slums as well as other forms of theft occurred. The securitization of employment includes therefore a spatial and social dimension. Due to the nescience about crime developments in the neighbouring favelas and the lack of police capabilities to control the local shanty towns, the borderline between socially in- and excluded is being reconstructed. As a result, the application of a TNCs' global security logic aimed at reducing complexity and preventing the materialization of harms in Jacarepaguá follows class-biased pattern.

Given the unique and highly complex security situation, corporate security managers had to actively engage in the negotiation of security in the area in order to guarantee business security. In Jacarepaguá, security chiefs are first and foremost required to stay in constant cooperation with the local police forces. Close contact to heads of the civil and military police in the area is necessary to discuss security developments.

These meetings are especially important as drug factions and the strongly emerging militias have overtaken control in the region and established territorial regimes, as well. All of these identified actors have formed distinct security strategies and adapted to a complex security environment by using distinct technologies and measures. Because of the geographical proximity in which these main actors operate in, direct and indirect channels of communication had to be established in order to coexist.

In an attempt to improve safety from crime in Jacarepaguá, Brazil's biggest TV station and the pharmaceutical companies initiated a monthly joint security meeting held under the auspices of the local chamber of commerce. Although each company pursues its own individual security strategy, these meetings are collective strategies to achieve security as a common corporate goal in the area. They bring together corporate security managers of all fifty major and twenty five medium sized companies and both branches of the Police (as well as the fire- and sanitation department,

town hall delegates and as well as the social department of the state- and privately funded research foundation FIOCRUZ). Within these meetings companies have the advantage to speak with one voice in order to express their security problems, latest crime developments and demands. From a business perspective, these joint meetings were established in order to reduce transaction costs for each company.

Given the structural weakness of the police and their inability to provide security in the area this collective approach elevates their bargaining power in negotiating their security demands with the police.[29] Companies on the other hand offer assistance to the police by providing the resources to improve patrolling in the main business areas. While police cars as well as their maintenance are being financed by companies taking part in these meetings, police forces accept and endorse the cooperation with a variety of private security agencies. Relying on private security is of high importance for companies and businesses in Rio. Between 2002 and 2007 businesses located in the state of Rio alone spent an official amount of US$ 11,96bn (R$ 28.7 bn) on private security, although the real amount is expected to be much higher.[30]

Contracting private security agencies increases the chances for companies that criminals are found, brought to justice and incarcerated. Consequently, this contributes to the privatisation of public police functions as investigations by those able to pay for them are privileged. On the other hand, crimes against those not able to pay for police investigations experience further delay or are not investigated at all. As a result, such crimes conducted by parts of the police are deliberately being upheld and used in order to continuously privatize security.

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[29] Following Samuels (2000) chances of major corporations to influence policy-making are high in Brazil as federal and state governments depend on the resources and know-how of major corporations to invest in public infrastructure. Therefore, governments need to make sure major companies are able and continue to operate in the country's high-crime areas.

[30] Fecommércio da cidade do Rio de Janeiro. Estatísticas Abril 2008, in: Jornal do Brasil 17. Abril 2008.

In this context, the emergence of militias in Rio is another trend contributing to the privatization of security.[31] The vast increase in irregular private security is largely linked to the emergence of these paramilitary groups. Militias occupy local shanty towns and implement extensive codes of conducts inside favela residents. However, large parts of the middle- and upper classes as well as politicians welcome their existence as they are actively fighting drug dealers and regain power in territories formerly controlled by drug factions. This led Rio's former mayor to refer to militias as legitimate forces of self-defence (Arias 2009, 92).

Unlike drug factions however, militias extort monthly security fees from community inhabitants as well as from shop owners inside occupied shanty towns. Furthermore, they gained control over alternative means of public transportation, the supply of gas in shanty towns and the reception and distribution of TV signals inside favelas (gatonet). However, in sharp contrast to drug factions, their influence is not limited to the shanty towns but unfolds over residential and commercial areas alike. Beside the involvement in the area's real-estate speculation the close connections with parts of city hall politicians and state government members, which are actively backing militia activities (in trade for extorted votes and material gains) enhance the severity of the problem (Freixo 2008). The fact that 65 percent of favelas occupied by militias have previously not been under the control of repressive forces clarifies their growing political influence. Inasmuch, the political-economic character of crime undergoes fundamental changes (Alves Souza 2008, 33).

The difficulty caused by these groups furthermore increase as militias seem to offer better security strategies for private actors and parts of the society outside the slums. In contrast to drug dealers, militias do not tend to abuse drugs as drug faction members, are better and more hierarchically organized and are considered to be more reliable. As a result, militias are unintentionally linked to be a better option to ensure business continuity

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[31] This relatively new phenomenon represents one of the fundamental changes in Rio's urban governability. These paramilitary organized groups primarily consist of off-duty policemen and fire-fighters. Due to low monthly payments by the military police, policemen need to supplement their incomes. Incomes of a Military Policemen (PM) range at around 900 Reais$ (or US$ 500).

for public and private actors as well. Their importance in terms of generating security during major events was also proven during the 2007 Pan-American games, when militias were used to guarantee security in areas along the roads leading to the sport facilities (Arias 2009, 2).

VIII. Violence and security management in Chácara Santo Antonio (São Paulo)

A different approach to improve a business district's security situation was implemented in São Paulo's borough of Chácara Santo. Once founded by German immigrants, the neighbourhood attracted a large number of international companies in the 1960s, and due to processes of de-industrialization in the 1980s, the commercial, technological and service sector replaced many of the production sites of major companies.

Commercial offices and conference buildings started to dominate the area's economic geography. In sharp contrast to Jacarepaguá, Chácara Santo Antonio is not comprise(d) of major favelas, although the possibility of corporate financial losses in the area are high due to crimes such as kidnappings, assaults, robberies of transported goods, break-ins, the theft of cars and portable information technology (such as laptops and business cell phone). These crimes are still in- instead of decreasing.

In order to protect their buildings, contracting private security companies and security personnel has been the initial reaction to curb the effects of violence on companies.[32] And although private security remains

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[32] Given the high amount of national and international companies in need to protect their assets, São Paulo's private security market contributed the most to Brazil's growing importance for tailor-made security on a worldwide scale. In 2009 four hundred and sixty four thousand private security guards were registered in the state of São Paulo alone. In average, more than three private security guards exist for every military, civil and federal policeman. Private security companies have to register at the Federal Police. In 2009, around 1,7 million Brazilian were employed. However, the Federal Police estimates that around eight hundred thousand non-registered policemen work for clandestine security companies in Brazil, today. On the other hand, only six hundred and two thousand military, civil and federal policemen serve duty in Brazil. These proportionally high numbers of private security personnel

an integral element for companies to minimize potential loses resulting from crimes and urban violence in São Paulo, the business community and the city's decision-making actors recognized the benefits of creating public-private partnerships in order to reduce crime in the area additionally. Under the auspices of the American Chamber of Commerce (AMCHAM) in São Paulo, which maintains its main offices in the area, a common project was initiated focusing on the promotion of a safer business environment by addressing the security demands of all actors residing in the area. The primary goal was to go beyond the individual protection of each office building and to enhance awareness about the necessity for a holistic approach to increase security and the living quality for everyone in the area (Tomansani and Balestra 2010, 24)

The project is called AçãoComunitário da Chácara Santo Antonio and expands over a territory of 2,420,000 m2. It includes one hundred and eighty seven buildings and three university campuses. About eighteen thousand people live in the area and approximately forty five thousand employees, customers and students come and leave the area on a daily basis (Timm and Grabenschröer 2007, 115).Sixty five national and international companies are financing the project.

Comparable to the collective approach chosen in Jacarepaguá, the AçãoComunitário brings together representatives of all community actors (including the company security, members of the military-, civil- and municipality police, student body delegates, members of the city council and the state government) for monthly meetings. Every single actor is being given a voice option in order to talk about security concerns and their own crime experiences. From these initial meetings resulted a variety of actions, primarily focusing on the analysis of crime trends in order to adjust preventative methods.

The first pillar of the project is therefore to collect data regarding the area's crime pattern. In order to do so private watchmen were contracted to

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exceed those in the United States and Mexico. Terra online. 'En Brasil hay tres vigilantes privados por cada policía, asegura un diario' URL: http://www.terra.com.mx/articulo.aspx?articuloid=784688 (downloaded 10 August 2010).

patrol the district which are providing detailed information about crime developments.

Secondly, CCTV cameras and a 24 hour monitoring for many parts of the neighbourhood were put in place. Going beyond an individual approach, companies decided to share the data obtained by their own CCTV cameras and information provided by their privately contracted guards about incidences occurring in their direct environment. A data pool (collecting information according to date and time of incidences as well as the detailed description of the offender) enabled the mapping of crime routines in Chácara Santo Antonio. Orienting itself on a zero tolerance concept, the project does not only collect information about major crimes affecting companies, but also reports minor incidences (such as the theft of wallets or cell phone etc.) to the local police department. As a result a detailed crime picture of the area is being constructed and continuously reconstructed.

In sharp contrast to the security initiative in Rio, information about crimes provided by third parties is added to the data pool, as well. In order to include the local population's opinion on and experiences with crime into the data pool, crime reports by students attending the local universities as well as the local community associations are also welcome.

In order to reduce violent car robberies by young and poor children (frequently occurring at street lights for example) the security meetings were opened up for the local social worker's association, as well. Discussing methods to keep children and teenagers from committing crimes by financing social projects has shown to be successful in this very district as well as other Brazilian metropolitan cities plagued by youth and gang-violence (Dowdney 2005).

Due to this collective attempt to create security, the public space in Chácara Santo Antonio is characterized by a low level of crime compared to São Paulo's overall crime average, today. The number of car and laptop thefts as well as assaults has dropped, significantly (Timm and Grabenschröer 2007, 115). As a result, the fear of moving in the area by employees, inhabitants and visitors has decreased. As this example has shown, applying a business security logic does not have to contribute to the fragmentation of urban space. Instead, choosing a collective and holistic approach is likely to serve the individual security interests without

exceeding corporate budgets. From a governance perspective, the public-private nexus in Chácara Santo Antonio was strongly supported by the heads of the military and civil police of the state of São Paulo.

The changing way to imagine security in Chácara Santo Antonio were enabled by geographic but also by attempts to construct new security constellations despite the high amounts of private security guarding the area to ensure the security interests of companies. Public police forces were strengthened in their role as the leading governance actor. As a result, private and public actors benefited mutually from the individual interests of companies to create a safer environment for their operations.

IX. Conclusion

The ability to adjust to different security environments is important for major companies especially when operating in conflict prone regions. As public authorities and security organs lack the resources to solve conflicts, companies can engage in negotiations with these organs in order to contribute to a more peaceful environment.

As this comparative analysis has highlighted however, individual life-projections and reinforcing forms of behaviour and processes of distinction (*habitus*) as well as the rule perceptional pattern and plots in a distinct local setting (*doxa*) set the frame in which security can be negotiated. And although both Rio de Janeiro and São Paulo are facing severe security challenges, the cities' ―hidden structures" identified in this article narrow down the options for companies to act.

The ‗intrinsic logic' as developed through the construction of an adequate ‗business space' rules out simplistic assumptions about the implications of corporate actions. Inasmuch, this comparative analysis shows that the particular security interest of TNCs do not necessarily lead to the fragmentation of space and the continuous exclusion of the urban poor.

The main difference in the approaches between companies in Jacarepaguá (Rio de Janeiro) and Chácara Santo Antonio (São Paulo) lies within the willingness to adapt a holistic concept of security. While most major companies have a vital interest to create security by helping poorer

communities through their Corporate Social Responsibility initiatives, local circumstances define whether these programs can be effectively included into a core security strategy.

While the lack of effective cooperation and the willingness by the state governments to envision broader security cooperation (despite immense investments for the past FIFA World Cup and massive police actions to drive out drug gangs for the 2016 Olympic Games) was expressed by police and company officials, the São Paulo case illustrates effective measures to govern through crime. On the other hand, the effective implementation of community based police in Rio (UPP) since 2009 is mainly restricted to favelas close to Rio's wealthier neighbourhoods, the main tourist sites as well as the Olympic sporting grounds. And although police forces are far from being able to provide encompassing security for its citizens in São Paulo and property crimes remain high as well, a larger amount of public trust in the police and the willingness to conduct structural reforms by public authorities reflect a change in the perceptions on how security can be raised. The use of new methods largely associated with an increase in urban fragmentation (CCTV, contracting of security companies etc.) actually contributed to an increase in human security for a variety of different actors. Moving through the area today generates a sense of safety, which had previously not been experienced in Chácara Santo Antonio. As a result of these daily experiences in the area, public police and private security are attributed characteristics that differ from perceptions in other parts of São Paulo and the general description of the Brazilian police as violent and abusive.

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