

Smuggling realities

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Every March, 3rd – Brazil's National Day for the Fight Against Smuggling –, it is presented the figure of the losses that the Brazilian economy experiences because of smuggling. This year, it was announced that Brazil lost almost US\$ 30 billion. This figure is the result of several calculations that take into account, among other things, seizures, unpaid taxes and jobs not hired to produce these goods. Based on a descriptive data (seizures) – generally, assembled data picked up from different agencies –, the figure is made up of projections: the projection of “the real number” of merchandises out of the actual seizures using the inference of police and custom officials; the estimation of the money that would have been raised if that projection was taxed; the projection of the number of jobs necessary for the production of that volume of production.

Doing long term ethnographic research on the dynamic border trade between Brazil and Paraguay, that calculation has always surprised me. I precisely research what it is not counted: the jobs and the wealth produced in those circuits. Not only these jobs and wealth are not considered but also the institutions and mechanisms to control those same circuits; including the institutes that produced the figures on how much Brazil lost to smuggling. In addition to highlighting the magnitude of the problem, the figure of the losses with smuggling is associated with certain spaces, actors and dynamics that define both territorially and socially its relevant circuits: land borders – especially with Paraguay – crossed by circuits that feed popular markets.

This paper seeks to describe the efforts to portray the "reality of smuggling" in Brazil analysing the instruments – the kind of data and the models implied to project the final numbers – and the actors involved in that effort, such as the Brazilian Intellectual Property Association (ABPI), the Institute for Ethical Competition (ETCO), the National Forum Against Piracy and Illegality (FNCP), the Economic Development Institute and Social Boundaries (IDESF), and the National Union of Tax Analysts Internal Revenue Service of Brazil (SINDIRECEITA). Considering the actors, the instruments and the variables chosen to compose those numbers, it is possible to understand the kind of reality that is surreptitiously introduced and distributed in the public space through those figures and the effects that they produce in the government and management of those circuits.

After more than a decade crusading against piracy, smuggling has become the current, privileged problem in the battles over taxes and property claims implemented by corporations and industrial groups in Brazil. Piracy, counterfeiting and informality are still fundamental, but at present they orbit smuggling. Perhaps it is a passing emphasis related to particular conjunctures – the government transition of 2014 and the economic crisis in Brazil. However, this emphasis allows us to follow the heightened commitment to the “licit market” that legitimates a moralizing discourse and a criminalizing strategy by corporate actors; discourse and strategy that help consolidate the proliferation of new markets for law enforcement. The presentation of the “reality of smuggling” that needs to be addressed is fundamental for the legitimacy of these discourses. In the following pages, I will describe the efforts made to

portray that ‘reality’ by analysing the instruments, the actors involved, and effects they produce.

Doing long term ethnographic research on the dynamic border trade between Brazil and Paraguay, the estimates for smuggling have always surprised me. My research focused, precisely, on what doesn’t count: the jobs and the wealth produced in those circuits. Also, the numbers do not consider the institutions and mechanisms that control these same circuits, including the institutes that produced the figures on how much Brazil loses to smuggling. In addition to highlighting the magnitude of the problem, the figures of the losses due to smuggling are associated with certain spaces, actors and dynamics that define its relevant circuits, both territorially and socially: land borders – especially with Paraguay – crossed by circuits that feed popular markets.

Provoked by the figure of the losses that the Brazilian economy experiences because of smuggling, I discovered a transformation at the level of compositions, discourses and practices that revealed the growing importance of smuggling as a productive trope for intervening in Brazilian political and economic dynamics. What follows is a preliminary presentation of an ongoing research.

The news

On the third of March of this year, William Bonner, the anchor-man of *Jornal Nacional* -the primetime news programme of the Brazilian television- announced that “[T]his Thursday, the National Day to Combat Smuggling, there were several protests demanding more measures from the government.” An offscreen voice described the protests while showing them: “In Brasilia, under rain, protesters walked before the Esplanade of the Ministries’ and stopped in front of the presidential building, the *Palacio do Planalto*. There was also a protest in São Paulo, in front of the government house, the *Palacio dos Bandeirantes*.” The image switched to a man throwing cigarettes into a machine, while announcing that the Brazilian Association for Combatting Counterfeiting destroyed smuggled cigarettes. After presenting several figures and places, another journalist, Fernando Rêgo Barros, appeared in front a road saying that: “[E]very time that a product enters in Brazil without paying taxes, Brazil is losing. Last year, smuggling rose 15% and produced a loss of 115 billion Reais, equivalent to 30 billion American dollars at that time. On screen, the source: IDESF. “Who produces

according to the law and pays their taxes, complain of unfair competition” continued the offscreen voice, showing a seminar room with a table with eight speakers -7 men, 1 women- and a canvas behind them written: National Day to Combat Smuggling. In a corridor -outside the seminar room-, Evandro Guimaraes, president of ETCO, said that jobs, industrial activity and all sectors were affected by smuggling, and complemented “[I] would say that everything remains to be done at every government level.” After 2:16 -136 seconds-, William Bonner again appeared on screen to present the government version in 10 seconds: the Ministry of Justice said that it had improved the structure of the Federal Police and the Federal Road Police at the border, and that it was carrying out special operations in Mato Grosso do Sul and Paraná.¹

The coverage by the *Jornal Nacional* can be summarised as the presentation of certain facts – the protests and the destruction of smuggled merchandises – and the interpretations given by several actors spurred by a national commemoration. However, when analysed in detailed, alongside the reports that were published in the newspapers, a different picture emerges. As I will try show in this paper, what appears to be facts and interpretations were, in fact, performances and contexts for normative discourses. Contexts, like the National Day to Combat Smuggling, recently invented by the same actors that orchestrated media coverage.

Performing ‘protests’ and producing ‘national days’

If we have a look at the images of the protest in Brasilia and São Paulo, we can see that the characters, the posters and the aesthetic are all exactly the same. All the participants (almost 60 in each case) wore the same T-shirts -white ones with black stripes, the ones that the Donald Duck's Beagle Boys used in prison. Lots of them, especially men, used black knit caps and black gloves. They look like Lego Characters of city burglars.²

The posters were the same in content, format and material. They presented different slogans. “Brazil, smuggler country”. “Welcome smugglers, our borders are open for you”. “Paraguayan cigarettes, national preference”. “More taxes, more cigarettes from Paraguay”.

¹ Jornal Nacional, “National Day to Combat Smuggling has protests”, presented on 03/03/2016, 22h20 (Rede Globo, Channel 4 VHF).

² See for example, 853092 City Burglars Magnet Set, released in 2011.

“Government and smugglers, united to end your job”. A photograph of Paraguayan president Horacio Cartes, with the motto: “Our hero, our president”. Written on a huge packet of cigarettes, a question: “Economy going wrong? Join cigarette smuggling, the fastest growing industry in the country.” In São Paulo, mocking the governor who had said that the fight against smuggling would be a priority, there were a lot of balloons saying: “Blah, blah blah”.



Fig. 1- The protest in Brasilia



Fig. 2 - The protest in São Paulo



Given the peculiar characteristic of the protests – people using the same costume and carrying banners put together by the same hands (Fig.1 and Fig. 2) –, it is surprising that neither the news program nor the newspapers mention anything about that aesthetic redundancy. They were just ‘protests’.

I only found an explanation regarding the nature of the protests in the website of the National Confederation of Industry (CNI, 2016). After presenting the same numbers and details that were exhibited in *Jornal Nacional*, we learn that the activities displayed during

the National Day to Combat Smuggling were organized by the *Movimento em Defesa do Mercado Legal Brasileiro*, which congregates entrepreneurs and representatives of different economic sectors. The protestors were described as groups of “smugglers” that, in a “playful protest”, thanked the federal government for its inefficiency in combating smuggling, a practice which “only benefits organized crime”.

The *Movimento em Defesa do Mercado Legal Brasileiro* (Movement for the Defense of the Brazilian Licit Market) was launched in September 2014, in order to obtain the support of candidates in the October presidential election towards the protection of the licit market. The manifest for the movement outlines twelve elements that revolve around the commitment to fighting piracy, smuggling, counterfeiting (tightening enforcement) and the reduction of taxes and simplification of bureaucratic procedures. At the time, two institutions, congregating several companies and sectorial associations, pushed the agenda of the movement: the *Instituto Brasileiro de Ética Concorrencial* (Brazilian Institute for Ethics in Competition - ETCO) and the *Forum Nacional contra a Pirataria e a Ilegalidade* (National Forum Against Piracy and Illegality - FNCP).³ At present, the *Associação Brasileira de Combate à Falsificação* (Brazilian Association for Combating Counterfeiting - ABCF) and the *Instituto de Desenvolvimento Econômico e Social de Fronteiras* (Institute for Economic and Social Development of Borders - IDESF) are also listed among the main organizers of the movement, which represents over 70 associations.

The ETCO (Brazilian Institute for Ethics in Competition) was founded in 2003 and it has five sectorial chambers: fuel (SINDICOM –Fuel Distribution Association), tobacco (Souza Cruz and Philip Morris), beer (AmBev), soft drinks (Coca-Cola, Pepsi, AmBev), and technology (Microsoft). It promotes actions for a better business environment through

³ The associations and groups that signed the Manifest were ETCO (Brazilian Institute for Ethics in Competition); FNCP (National Forum Against Piracy and Illegality); MOVE (Associação Brasileira de Artigos Esportivos); Abividro (Associação Técnica Brasileira das Indústrias Automáticas de Vidro); ABIT (Associação Brasileira da Indústria Têxtil e Confecção); ABES (Associação Brasileira de Software); Associação dos Distribuidores e Importadores de Perfumes, Cosméticos e Similares; ABPI (Associação Brasileira de Propriedade Intelectual); ABIHPEC (Associação Brasileira da Indústria de Higiene Pessoal, Perfumaria e Cosméticos); ABRINQ (Associação Brasileira dos Fabricantes de Brinquedos); ABIÓPTICA (Associação Brasileira da Indústria Óptica); ABIPLA (Associação Brasileira das Indústrias de Produtos de Limpeza e Afins); Instituto Brasil Legal (Instituto Brasileiro de Defesa da Competitividade); APROVA (Associação Brasileira das Empresas de Reprodução Automática de Áudio e Vídeo e Similares); MPA (Motion Picture Association – Latin America); ABIFUMO (Associação Brasileira da Indústria do Fumo); Interfarma (Associação da Indústria Farmacêutica de Pesquisa); ABTA (Associação Brasileira de Televisão por Assinatura); BPG (Grupo de Proteção à Marca); UBV&G (União Brasileira de Vídeo e Games).

studies, legislative lobbying and education. It focuses on the fight against illegal commerce, smuggling, informality, tax evasion and corruption. Its president, publicist Evandro do Carmo Guimarães, worked for the Globo Organizations from 1979 to 2011, being responsible for its institutional relationships. The association's headquarters is in São Paulo.

FNCP (National Forum against Piracy and Illegality) was established in 2003 during the Parliamentary Commission for Inquiry on Piracy and it was legally constituted in 2004. Its focus is the combat of piracy and counterfeiting, having among its associates 3M, HP, Microsoft, Lexmark, Colgate-Palmolive, Xerox, Philip Morris, Souza Cruz, Business Software Alliance, and several sectorial associations like ABIHPEC, ABIVIDRO, ABRINQ, APICE, ABTA, ADIPEC and other companies, groups and organizations. Founded by the economist Alexandre Cruz, it has been headed since 2009 by the lawyer Edson Luiz Vismona, former Secretary of Justice of the state of São Paulo (2000-2002). The association's headquarters is also in São Paulo.

The IDESF (Institute for Economic and Social Development of Borders - IDESF) was founded in 2013 in Foz do Iguaçu, in the border region with Paraguay and Argentina – the Tri-Border Area.⁴ Its declared purpose is “to promote equality and integration in border regions”, through diagnosis, research, education and training with government and society, for the protection of the national market and the formal economy. Its president, economist Luis Stremel Barros, was for a long time the representative of the Brazilian Association for Combating Counterfeiting (ABCF) in Foz do Iguaçu, and nowadays presides the IDESF. He is also the Paraná Regional Director of the ABCF, whose headquarters is likewise in São Paulo.

One of the first proposals of the Movement was the creation of the National Day to Combat Smuggling, to be observed every third of March. The aim was to establish a day for drawing both the government's and society's attention to the problems of smuggling. It was created by an event that received no official sanction. The first National day was presented

⁴ The Tri-Border Area or TBA – as it is internationally known (the *Triplice Fronteira*, in Portuguese) – is the region where the borders of Brazil, Paraguay and Argentina meet. Ciudad del Este, in Paraguay, and Foz do Iguaçu, in Brazil, are important commercial cities – with the presence of significant commercial diasporas like Lebanese, Chinese, Koreans, Indians, among others. During the 1980s, Ciudad del Este (then Ciudad Presidente Stroessner) became the main market for imported goods in Brazil and Foz do Iguaçu the main market for Brazilian goods in Paraguay. Since the 1990s, the region has been denounced as a regional security threat. For an analysis of the commercial circuits of the region, see Rabossi, 2012. For a description of the Arab and Muslim presence in the region, see Rabossi, 2014.

by the media on May, 3rd, 2015 without any reference to its unofficial character. The possibility of naturalizing an unofficial proposition as a national event was grounded in the scope of the organizations that proposed the memorial date and their familiarity with the media. The model of a national day to highlight a particular topic of the agenda of law enforcement was very well known to ETCO, FNCP and ABCF actors. It had already been implemented with the National Day of Combating Piracy and Bio-piracy, which was established by a federal law in 2005.

Contexts for numbers and laws

The first edition of the National Day to Combat Smuggling was in 2015. The main events prepared by the organizers were the presentation of the results of a research undertaken by the IDESF, in Foz do Iguaçu, and a meeting at Brasilia where the figures for smuggling and proposals for combating it were presented. Each event was designed in accordance with a spatial inscription of the logic of governance: the border as the scene for the facts of smuggling; the capital city as the site for presenting demands to the government and influencing the legislative process.

In Foz do Iguaçu, one of the main points of entrance of merchandise from Paraguay, the scene was prepared for the presentation of data on smuggling. In a press conference at the Federal Revenue office, the president of IDESF presented the results of *The Cost of Smuggling*, a research that would henceforth provide the numbers quoted in every report on smuggling.

At a modern convention center in Brasília, in the name of the Movement for the Defense of the Brazilian Licit Market, the presidents of ETCO and FNCP presented its demands: tightening controls at the border, a “positive agenda” for Brazil-Paraguay relationships to find alternatives to smuggling, and reduction of taxes for Brazilian products. Congressman Efrain Filho, from the state of Paraíba, affiliated to the right-wing party DEM, presented the proposals that he was putting forward at Congress: the official constitution of The Parliamentary Front Against Smuggling and Counterfeiting and a toughening of penalties against smuggling offenses.⁵

⁵ The penalties on smuggling had already been modified in 2014 (Law 13.008/14), following a proposal by congressman Efrain Filho that created independent categories for crimes that had not been legally sanctioned as different infractions: “contrabando” – introduction of prohibited or regulated products – and “descaminho”

While the proponents of the National Day expected it to highlight the problems that smuggling produced, the media treated the day as something given – particularly, the news programs of Globo channels.⁶ The intentions behind its creation were effaced and all that remained were the aims of its creators: to transform smuggling into a worrying problem which must worry everybody.

Another step in constructing the context wherein smuggling would be raised to a national problem was the multimedia project “Everything about smuggling in Brazil” organized by *Folha de São Paulo* – another key media group in Brazil. Some days after the National Day to Combat Smuggling, the project was published in *Folha de São Paulo* website (12/03/2015) and in the newspaper (23/03/2015). “Everything about smuggling in Brazil” was the result of two months of research undertaken by thirty professionals that sought to map and explain smuggling in Brazil. On March, 18-19, *Folha de São Paulo* organized the seminar “Smuggling in Brazil” where it analyzed the impact of smuggling on the Brazilian economy, the relation between smuggling and urban violence, and the means to combat it. The speakers were federal and state officials, businessmen, politicians, journalists and analysts.⁷ The project and the seminar were sponsored by ETCO, FNCP, IDESF and ABCF, the organizers of the Movement in Defense of the Brazilian Licit Market.

– introduction of merchandises without paying taxes. While “descaminho” remains a crime with 1 to 4 year prison sentences, “contrabando” rose from 2 to 5 years of prison time, which means that there is the possibility of preventive prison, no chance of parole, and the crime now only prescribed after 12 (rather than 8) years. The new proposal (PL 1530) aims to penalize the drivers that transport contraband and the merchants that sell smuggled goods. The Parliamentary Front Against Smuggling and Counterfeiting was officially established on May, 14th, including 230 members of the Federal Senate and Congress and it is the parliamentary articulation for the modification of the law and the establishment of demands to the Government. Senator Ronaldo Caiado, also from the DEM of Goiás, is the vice-president of the Front.

⁶ See *Jornal Nacional*, 2016; *Jornal da Globo*, 2016; *Bom dia Brasil*, 2016; *Hora 1*, 2016. See also *Revista Exame*, 2016.

⁷ The participants of the Forum, as presented in the program, without translation, were: Marivaldo Pereira (secretário-executivo do Ministério de Justiça), Evandro Guimarães (ETCO), Ives Gandra da Silva Martins (FecomercioSP), Roberto Teixeira da Costa (ex-presidente da CVM), Efraim de Araujo Moraes Filho (deputado federal DEM-PB, autor da lei que aumentou a pena para contrabando), Ernani Argolo Checcucci Filho (Receita Federal), José Carlos de Araújo (Receita federal), Edson Vismona (FNCP), Bráulio Cezar da Silva Galloni (coordenador-geral de Polícia Fazendária), Contado Calligaris (psicoanalista e colunista da Folha), Erika Palomino (jornalista, escritora e consultora criativa), Rubens Ricupero (ex-ministro e ex-embaixador em Washington e Buenos Aires), Candido Figueiredo Ruiz (Chefe de redação do jornal paraguaio ABC Color), Rafael Dolzan (Receita Federal de Foz do Iguaçu), Camilo Pereira Carneiro Filho (UFRGS), José Mariano Beltrame (secretário de Segurança Pública do Rio de Janeiro), Antonio Britto (Interfarma), Andrea Martini (Souza Cruz), Carlos Tilkian (Estrela), Adilson Carvalho Jr. (ABBA), José Serra (senador PSDB-SP), Everardo

Smuggling numbers

The Cost of Smuggling resulted from a study coordinated and applied by IDESF together with EGOPE, *Empresa Gaúcha de Opinião Pública e Estatística*, a company dedicated to market and public opinion based in Lajeado, a small city of Rio Grande do Sul State.

The study has three components: a description of the smuggling circuits that connect Ciudad del Este, Foz do Iguacu and São Paulo; an analysis of the cost and profits of the 10 most smuggled products at the time of their purchase in Paraguay and when they are sold in São Paulo and; a description of the smuggled cigarette market.⁸

General data – the ones presented as findings in the presentation of the research and amplified by the media – were derived from 15 interviews with “smugglers” on items such as income, number of persons that work for a boss, number of trips and amount of goods transported. Indirect speech, such as “It is estimated...”, allowed the authors to present the data without the need to qualify it. Almost all the figures are presented without any explanation as to how they were calculated: like the claims that “15.000 people are directly involved with smuggling in the Foz do Iguacu region”, that the average income in the smuggling world is R\$ 985,00 or that income is concentrated on the 2% that control the business.

Based on apprehensions by the Federal Revenue Service, the report presents “The Top 10” most smuggled products. The graph with the data is described as “Percentages of smuggling that enter through the Brazilian-Paraguayan border” (p.8), showing the following products and figures (in %): cigarettes (67,44), electronic devices (15,42), computers and accessories (5,04), clothes (3,03), perfumes (2,45), watches (2,03), toys (1,89), glasses (1,5), medicines (0,85), beverages and drinks (0,35). Some pages below, these percentages are projected nationally. “As we saw previously, cigarettes today represent 67,44% of all the smuggling that enter through the borders, the equivalent of R\$ 6,4 billion considering losses

Maciel (ex-secretario da Receita Federal). Not included in the program, José Eduardo Cardozo, Minister of Justice, who participated during the second day of the Forum.

⁸ For an ethnographic and historical analysis of the Paraguayan Market of Tobacco in Brazil, see Francisco, 2013.

for industry and taxation. Included among them, R\$ 4,5 billion are taxes that the state fails to collect.” (p. 11).

I will return to the nationalization of the numbers for Foz do Iguacu, but first, let’s consider the procedure that produces these estimates. A percentage is calculated out of apprehensions. Considering that apprehensions represent only 5 to 10% of the merchandises that enter in Brazil (a projection quoted from de Federal Prosecution Service – MPF),⁹ the number is multiplied to arrive at the presumed 100% of the total cigarettes smuggled into Brazil. What the industries could have profited by producing and selling that number of cigarettes and how much had the Government could have earned with taxes is then calculated. From this kind of projection “Brazilian losses” are obtained.

If the estimation is problematic, the projection of the numbers for Foz do Iguacu to the rest of Brazil is gross manipulation. The percentages were calculated from the apprehensions at the Foz do Iguacu office of the Federal Revenue Service in 2014. Those percentages, however, are calculated without four items (see table below) and we are not informed of the reasons for the exclusion. In the following table, we see the percentages calculated by IDESF. The following column (RF – Foz do Iguacu) presents the percentages considering the total of apprehensions in Foz do Iguacu (Lichacovski, 2015). The last column (RF – Brazil) presents the percentages of those merchandises when all the apprehension done by the Federal Revenue Service in 2014 in Brazil are considered (RF, 2015).

⁹ In fact, the estimate that was quoted from the MPF – Foz do Iguacu, 17/12/2014 (p.4) – is that of Federal Prosecutor Alexandre Collares Barbosa during a radio program. The prosecutor used that multiplying factor in a Civil Action against the Union asking for more Federal agents to control the region. The estimate is also quoted in an indirect speech “It is estimated that...”, without qualification of the agent of estimation.

| Products | IDESF | RF - Foz do Iguaçu | RF – Brazil |
|---------------------------|-------|--------------------|-------------|
| cigarettes | 67,44 | 51,86 | 28,61 |
| electronic devices | 15,42 | 11,86 | 8,43 |
| computers and accessories | 5,04 | 3,87 | 2,29 |
| clothes | 3,03 | 2,34 | 5,24 |
| perfumes | 2,45 | 1,88 | 0,7 |
| watches | 2,03 | 1,56 | 2,18 |
| toys | 1,89 | 1,45 | 1,23 |
| glasses | 1,5 | 1,15 | 3,09 |
| medicines | 0,85 | 0,65 | 0,25 |
| beverages and drinks | 0,35 | 0,28 | 0,83 |
| optical media (recorded) | | 0,46 | 0,78 |
| optical media (blank) | | 0,15 | 0,25 |
| other products | | 5,92 | 40,74 |
| vehicles | | 16,57 | 5,38 |
| Total | 100 | 100 | 100 |

The difference between the number produced by IDESF for cigarette smuggling and the apprehensions by the Federal Revenue Service is huge: from almost 70% of all smuggling,¹⁰ to less than 30%.

If the figure for cigarette smuggling is a flagrant distortion, the “R\$ 100 billion that Brazil lost with smuggling” that was reported in both Foz do Iguaçu and Brasilia was not even mentioned in the study. It seems that it was a projection already taken for granted among the organizers of the Movement for the Defense of the Brazilian Licit Market.

Taxes incentives for criminal landscapes

Since the constitution of the Movement for the Defense of the Brazilian Licit Market, smuggling has replaced piracy in the practice and rhetoric of its main institutions – ETCO, FNCP and ABCF. The strategy of a “national day of combat” was accompanied by the same

¹⁰ That was the underlined aspect picked up by several reports. *Bom dia, Brasil*, for example, a television news program broadcast by Globo Channel, the National Day to Combat Smuggling announced “Cigarette is the most smuggled product in Brazil, points research. The product represents almost 70% of all smuggling in the country. Brazil lost R\$ 4,5 billions in taxes”. (*Bom dia, Brasil*, 03/03/2015).

practices of lobbying, training and educational campaigns that characterized their work against piracy. As with piracy, the presumed connection with organized crime is a crucial part of the construction of the legitimacy of the campaign. According to their script, the conditions that encourage smuggling are high taxes and a difficult environment for business. Behind every intervention denouncing the increase of smuggling and its connection with organized crime, there is a demand for tax reductions.

The most transparent campaign in this regard was launched by de FNCP, *Imposto cresce, crime agradece* (loosely translated, Taxes rise, crime obliges).



As their website states, “[W]hen taxes on cigarettes rise, smuggling carried out by organized crime – together with arms and drugs – also rise.”

The campaign included television spots in which actors from Globo television – Jackson Antunes and Caco Ciocler – presented “an interview” with a cigarette smuggler in what seems to be a slum house. A blurred out figure with a distorted voice says “[T]o us, when taxes on cigarette rise, it is very good. It is very profitable. We thank the government. It is easier and better working with Paraguayan cigarettes than with arms and drugs.”¹¹

As the “playful protest” presented at the beginning of this paper or the numbers of cigarette smuggling produced by the IDESF, the campaign of the FNCP is coarse. A similar conclusion was reached in the analysis of the antipiracy campaigns in Brazil.

Studying anti-piracy public awareness campaigns in Brazil is a dismal exercise. Demagoguery and scare tactics are the norm, often to a degree that reads as comedy rather than instruction. All are localizations of templates developed at the international level, and all hit the same simple messages: “you wouldn’t steal a car”; “kidnapping, guns, drugs . . . the money that circulates in piracy is the same money that circulates in the world of crime”; “tomorrow I will sell drugs in my school because of that DVD”; and “thank you ma’am, for helping us to buy weapons!” are typical. (Three of the four quotes come from recent

¹¹ <http://www.fnep.org.br/impostocrescecrimeagradece/> The campaign was denounced by anti-tobacco activists as a way of reintroducing cigarettes into publicity spots. Since 2000, advertising of tobacco products is prohibited in TV.

spots produced by the UBV, the organization of Brazilian film distributors, which has developed a particular specialization in the genre. The spots run on TV, in theatres, and in DVD preview materials.) (Mizukami et.al., 2011:288)

Comparison with antipiracy politics is grounded on the fact that we are talking of the same actors, elaborating the same strategies and arguments that they previously deployed.¹² The introductory words of Joe Karaganis in the Social Science Research Council research on *Media Piracy in Emerging Economies* (where the Brazilian analysis was carried out) are relevant.

What we know about media piracy usually begins, and often ends, with industry-sponsored research. There is good reason for this. US software, film, and music industry associations have funded extensive research efforts on global piracy over the past two decades and, for the most part, have had the topic to themselves. Despite its ubiquity, piracy has been fallow terrain for independent research. With the partial exception of file sharing studies in the last ten years, empirical work has been infrequent and narrow in scope. The community of interest has been small—so much so that, when we began planning this project in 2006, a substantial part of it was enlisted in our work. That community has grown, but there is still nothing on a scale comparable to the global, comparative, persistent attention of the industry groups. And perhaps more important, there is nothing comparable to the tight integration of industry research with lobbying and media campaigns, which amplify its presence in public and policy discussions. (Karaganis, 2011:1)

The importance that smuggling has assumed, though performed within the same model of antipiracy politics, is related to certain changes that I want to underline before concluding.

Continuities and changes

Smuggling presupposes the border and the border is a perfect scene for the battle for the “licit market”. Before the anti-piracy constellation discovered its potential, the border had been already politicized in Brazil and abroad. In the last decade, discussions on urban insecurity – specially during elections – started to single out Brazilian open borders as being responsible for the arms and drugs that feed the main Brazilian cities. In 2011, Dilma Rousseff’s government inaugurated the Strategic Plan for Borders that included the creation of the National Strategy of Public Security at the Border (Ministry of Justice) and the organization of operations mobilizing the Armed Forces (Agata Operation) and the Federal

¹² The chapter by Mizukami, Castro, Moncau and Lemos analyses the Brazilian policies regarding piracy and the actors and coalitions that try to intervene in the field. My analysis is influenced by theirs.

Police (Sentinela Operation). In 2014, the border returned to the fore with the coming elections.

The creation of the IDSF signalled a change. As a representative of the ABCF (the Brazilian Association for Combating Counterfeiting), its president was part of that coalition, based at the border and thinking about it. But it also started to further its own agenda, where knowledge of the border is becoming important. However, by being based at the border and thinking about it, IDESF started to further its own agenda, where knowledge of the border is becoming important.

Talking about the elaboration of *The Cost of Smuggling*, economist Adriano Strassburger, EGOPE's director – IDESF partner in that research – said that,

In the first discussion we had with Luciano [Stremel Barros], president of IDESF, we tried to show him that there is no use in just to showing a problem, presenting a difficult situation, often a bad one. (...) So, to the extent that one wants to know, it is necessary to look for data.

As we have already seen in the analysis of that research, looking for data does not mean that it will qualify as consistent or robust. At any rate, preoccupation with the production of data on the border could trace a different path. Two seminars were organized in October, 2014 and 2015 – Seminário Fonteiras do Brasil – and several publications followed *The Costs of Smuggling: Security operations in Border Areas* (2015). *Characteristics of Border Societies* (2016) and *Crime routes: The Crossroads of Smuggling* (2016). The data used is different, extensively employing secondary data. This year, together with the Associação dos Diplomados da Escola Superior de Guerra of Foz do Iguaçu (Association of Graduates of the Advanced School of War - ADESG) and the ESIC-Business & Marketing School Faculdade Internacional (with its headquarters in Barcelona), the IDESF is promoting a Postgraduate Course in Management of Political Science, Strategy and Planning, with an emphasis on borders. This new stance goes together with the traditional one of advocating for the products of the companies that support the institute. Cigarettes are an example.

It is worth noting the influence that the producers of cigarette have come to wield in the definition of the campaigns. Souza Cruz (British-American Tobacco subsidiary in Brazil) and Philip-Morris were associates or sponsors of ETCO and FNCP, while the first company is associated to ABCF and it is partner of IDESF.

Borders have become a fertile ground for discourses of law enforcement and for huge businesses in the field of security and control. The twinning of this vast field with IP advocates and corporate lobbyists can have profound consequences.

Although I arrived in my field interested in the way people were making their living in the commercial circuits between Paraguay and Brazil –like Keith Hart in Ghana and what he called informal income opportunities (Hart, 1973) or Janet MacGaffey in Zaire and what she called the secondary economy (MacGaffey, 1991) – I got trapped in a net of actors and organizations that are producing “interested” definitions of reality. Exposing the procedures of that production is fundamental to understand contemporary disputes over economic practices and market regulations.

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