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Informal dynamics of survival in Latin American prisons

Neoliberal Penology and Criminal Finance in Honduras

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Introduction

In the early 2000s prison directors in Honduras ordered, for the first time, segregation for inmate populations according to gang membership. It was essential to minimising violence between the MS13 and Barrio 18, the largest gangs in the country. But it was equally necessary to protecting gangs themselves, from armed squadrons known to enter prisons undercover, and target gang wards in brutal massacres. Prison authorities ceded entire barracks, minimising official access, so that gang communities might fortify and secure them from the inside. At Marco Aurelio Soto (MAS), the largest national penitentiary, the MS13 gang was moved to a traditional barracks and the Barrio 18 to the former factory where traditionally inmates produced bulk fabrics for sale in the capital. By 2005 the gang had renovated the factory with perimeter walls and a decorative courtyard painted in bold colors and panoramic murals. The interior was remodeled. There were tailors, cobblers, billiards tables, and thundering music. Meanwhile, outside the factory walls, the prison struggled with insecurity and disrepair.

Beginning in 2000, anti-gang policing in Honduras, Guatemala, and El Salvador initiated the mass incarceration of suspects and then a crisis in the Honduran prison system that is now over a decade old. Without sufficient funding to expand penal facilities, finance capital and charismatic leadership vital to the survival of carceral institutions in Honduras have been provided by organised groups from within the illicit economy. Converting the old prison factory at MAS into a communal center of gang life is but one instance of state austerity and criminal affluence in a mode of reciprocal sustainability. Beyond renovating deteriorated infrastructure, revenue from illicit capital also funds vocational programs, basic provisioning for inmates, and financial subventions to prison employees.

For more than a decade now, scholarship attending to the layered complicity between neoliberal state policies and diversifying regimes of carcerality across Latin America, has examined its effects from diverse angles: urban securitisation;[1] Christian prison ministries;[2] drug wars and narco-capital;[3] inmate protest;[4] race and citizenship;[5] architectures and tactics of security;[6] co-governance;[7] among others. What I term 'neoliberal penality' aims to highlight complicity between state austerity and illicit affluence, demonstrating the flexibility of neoliberal market logic at an extreme. Here I examine the overhaul of Honduran prisons in 2014 to suggest that while it has been politically expedient to frame such efforts as responding to overpopulation and infrastructural decline, equally it is the robust and flourishing market economies of prison interiors that generate renewed interest in regulating and controlling carceral enclosures.

Overview

The carceral system of Honduras includes 24 institutions, designed for a total capacity of 8,000 inmates but currently holding over 16,000, with 50 per cent as pre-trial detainees.[8] In 2002 the introduction of *Mano Dura* (Strong Hand) policing strategies increased inmate populations by targeting members of international street gangs MS13 and Barrio 18. Despite miltarised policing

1. Birkbeck, C. (2011) Imprisonment and Internment: Comparing Penal Institutions North and South, *Punishment and Society* 13, no. 3: 307–32; Ungar, M. (2003) Prisons and Politics in Contemporary Latin America, *Human Rights Quarterly* 25, no. 4: 909–34; Wacquant, L. (2003) Towards a dictatorship over the poor: Notes on the penalization of poverty in Brazil, *Punishment and Society*, 5: 197-205.
2. O'Neill, K. (2010) The Reckless Will: Prison Chaplaincy and the Problem of Mara Salvatrucha, *Public Culture*, 22(1): 67-88.
3. Campos, S. (2016) The Santa Monica Prison and Illegal Cocaine: A Mutual Relationship, *Crime, Law, and Social Change*, 65: 251–268; Núñez Vega, J. (2007) Las Cárceles en la Época del Narcotráfico: Una Mirada Etnográfica, *Nueva Sociedad*, 208: 105–117.
4. Carter, J. (2014) Gothic sovereignty: gangs and criminal community in a Honduran prison, *South Atlantic Quarterly*, 113(3): 475–502; Garces, C. (2010) The Cross Politics of Ecuador's Penal State, *Cultural Anthropology*, 25(3): 459–496.
5. Campos, S. (2014) *'Extranjeras'*: Citizenship and Women Serving Drug Trafficking Sentences in the Santa Monica Prison, *Bulletin de l'Institut français d'études andines*, 43(1): 75–91.
6. Garces, C. (2014) Denuding surveillance at the carceral boundary, *South Atlantic Quarterly*, 113(3): 447–473.
7. Darke, S. (2013) Inmate Governance in Brazilian Prisons, *Howard Journal of Criminal Justice* 52(3): 272–84; Darke, S. (2014) Managing without Guards in a Brazilian Police Lockup, *Focaal*, 68: 55–67.
8. Informe Anual (2014) *del Comisionado Nacional de los Derechos Humanos*. Last accessed May 14, 2016 http://app.conadeh.hn/descargas/InformesAnuales/CONADEH_2014.pdf

gangs continued to attract members seeking an alternative to a stagnating formal economy or protection from urban insecurity.[9] Free-trade economic policies impacting urban centers also affected rural economies where illicit organisations grew coeval with contracting economies and vanishing trades. Gangs have often overshadowed such provincial associations though these *mafia* and *bandas* were central to building rural illicit economies supplementing the formal one. Inside Honduran prisons, the urban and rural fugitives of neoliberalism intersect. During the 2000s, prisons struggling to provide basic security and necessities ceded internal administration to inmate groups, and while media reports criticised such arrangements as 'criminal finishing schools', for thousands of pre-trial detainees and minor offenders, these processes and exchanges that had become *de facto* and *de jure* elements of prison management, would be their first entry into criminal social worlds.[10] In the sections that follow, I will examine the stages of this process as follows: (1) creation of inmate service economies, (2) takeover of those economies by criminal organisations, (3) formation of an autonomous prison community, and (4) state annexation of the prison economy.

Neoliberal Penality

In 2006 I was conducting fieldwork at Marco Aurelio Soto (MAS), and guards made sure I knew their jobs were difficult. Many wore threadbare uniforms, unable to replace them at personal expense. As social programs for inmates were eliminated and prisoners were idle, guards' jobs were more hazardous. Escapes were common, and overflow encampments sheltered inmates in tents between buildings. At guard wages, employee life insurance was seldom affordable, and medical benefits, paid-leave, and retirement had been reduced. Guards slept in a dormitory that offered metal bunks with ripped-foam mattresses, and toilets that regularly overflowed, spilling into a large pool in the visitor parking lot.[11]

Meanwhile private capital from unregistered and unknown donors flowed into particular spaces. Photographs of tattooed gang members circulated in the global media of the early 2000s, drawing donations from humanitarian and evangelical groups that initiated renovation of their barracks. Their images mediated across global news channels, these newly decorated structures became iconic, and quickly expanded, supplemented through gang earnings in the shadow economies of extortion and drug sales in and outside the prison. When I visited the barracks of both the MS13 and 18 Gang by the mid 2000s, interviews and personal conversations often referenced their sense of a literal ownership of the renovated dormitory infrastructure.

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Expropriation

At the entrance to the barracks of the MS13, guards typically sat at a small desk more than twenty-feet from the actual entry point. The gang typically handled their own security and, when bored or exhausted by the sun, guards walked to an adjacent dormitory. Past groomed shrubs and a decorative arbor, they entered a circular garden and reclined in wooden swings by a pool of tilapia fish. They admired ornamental fighting cocks, and then visited a nursery of purebred, Rottweiler puppies.

The owner was Carlos, a mid-level cocaine and marijuana dealer who had grown up in Tegucigalpa, the nearby capital city. 'I got here six months ago and this area was full of trash. No one wanted to touch it. A year ago some dudes were killed right there, just lined up on the wall and shot…I offered [the administration] money for it and of course they accepted, so now it's mine to do what I want while I'm here.' Guards ordered tamales and Cokes from Carlos' assistants, inmates he gave a wage and some degree of protection.

With a leather jacket and gold chain, Carlos carried himself like a private contractor, shifting capital from

9. UN Development Program Honduras. (2008/9) *Human Development Report Honduras 2008/9, from Social Exclusion to a Youth Citizenship*. Last accessed May 14, 20126. http://hdr.undp.org/sites/default/files/hdr_honduras_2008–9_en.pdf
10. Comisión Interamericana de Derechos Humanos (2013) *Informe de la Comisión Interamericana Sobre la Situación de Personas Privdas de Libertad en Honduras*. Last accessed May 14, 2016. http://www.oas.org/es/cidh/ppl/docs/pdf/honduras-ppl-2013esp.pdf
11. These narratives come from my own field research from 2005 to 2016. For additional perspective, see: Centro de Prevención, Tratamiento y Rehabilitación de las Víctimas de las Torturas y sus Familiares, and Comité de Familiares de Detenidos Desaparecidos en Honduras (2006) *Situación del Sistema Penitenciario de Honduras*. Teguicigalpa, Honduras.

narcotrafficking networks in the capital, to prison renewal projects. From his pigpens Carlos gifted the prison Director a hog for Christmas and Holy Week, selling choice cuts of meat to staff and guards at low prices, assuring everyone was invested in his renovations. Journalists frequently characterise such exchanges as corruption or feudal tribute, but Carlos regarded them as part of rebuilding morale, re-instating year-end bonuses for administration that had been shorn from official budgets. 'If [directors and administrators] are happy, it's easier for all of us here,' he explained.[12]

Privatisation

Across the prison yard in Module 3, a separate pavilion widely-known as the 'mafia barracks' that housed members of regional criminal bands, inmates adjusted to disinvestment differently. Those with influence in criminal groups across rural Honduras offered connections that affordably provisioned residents. Coordinators bought construction materials for a new perimeter wall, to assist the efforts of guards, and resources not provided by the prison were supplied at affordable prices, from bedding to pharmaceutical drugs, and foodstuffs that included eggs and meat, and duck, chicken, and turtle farms to supplement beans and rice from the prison kitchen. In other barracks, inmates of financial means established niche markets for basic necessities, but Module 3 was equipped with criminal financiers whose earnings underwrote a variety of renovation efforts, necessitating labourers, paying wages and credit, and kick-starting a diversifying economy.[13]

Proto-State

Such creative solutions quickly ossified into predatory rackets. By 2012, inmate leadership negotiated all logistical matters of internment at MAS. Guards received new inmates but delivered them directly to toros, powerful inmates who determined cell placement, accessibility of food and hygiene, and all details (including escapes) according to a rigid price scale.[14] Inmates without resources for an initial 'registration fee' as a baseline investment in their carceral residence entered indentured servitude to coordinators, commonly as couriers for drug sales. Inmate hierarchies regulated access to resources and movement, with authority from prison administration to enact their own disciplinary measures.[15]

Similar economies are vital to the survival of prisons and their detainees across Latin America. While there are no available figures on MAS in particular, La Planta prison in Venezuela, close in size to MAS, generated an internal economy of nearly $3.4 million per year.[16] By the late 2000s internal markets at MAS were annexed by criminal groups who monopolised internal prison economies from the interior of autonomous carceral wards.[17] At MAS, the profits generated by the movement of contraband generated power and influence both inside and outside the institution that by 2012 the director declared himself powerless to address.[18] Guards and toros could extort inmate populations as captive markets.[19]

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Other Worlds

Such criminal rackets have proven neither inevitable nor totalising, however. At San Pedro Sula (SPS) prison, the second largest in the country, built for 800 inmates and housing 2,700 in 2014, in March of 2012 inmates violently unseated extortion mafias that had run the prison for several years with unlimited power.[20] The revolt against them lasted hours, and prison authorities stood-down as a transfer of power was negotiated.

A 27-year-old pre-trial detainee named José Cardozo, known as El Chepe, assumed command of

12. Additional perspective can be found at: Centro de Prevención, Tratamiento y Rehabilitación de las Víctimas de las Torturas y sus Familiares. (2004). *Informe del Sistema Penitenciario de Honduras*. http://www.cptrt.org/pdf/informesistemapenitenciarioCIDH.pdf
13. For additional perspective, see: United Nations Office on Drugs and Crime (2012) *Transnational Organized Crime in Central America and the Caribbean: A Threat Assessment*. Accessed May 14, 2016. https://www.unodc.org/documents/data-and-analysis/Studies/TOC_Central_America_and_the_Caribbean_english.pdf
14. 'Como esclavos de capos terminan reos en Penitenciaría Nacional', *La Prensa* (Honduras) 19th January 2012.
15. Stone, H. (2012) 'Inmates run Honduras prison as micro-state'. Available at: http://www.insightcrime.org/news-analysis/inmates-run-honduras-prison-as-micro-state
16. 'Los 'negocios' en La Planta producen Bs 16 millones anuales', *El Universal* (Bolivia) 14th May 2012.
17. 'Cárceles: ingresar un celular vale Q500; traslados cuestan hasta Q150 mil', *La Hora* (Guatemala) 3rd February 2014.
18. 'Jugosos y millonarios negocios en Penitenciaría Nacional', *El Heraldo* (Honduras), 18th June 2012.
19. 'DNSEP: Custodios son culpables de la corrupción en la Penitenciaría', *El Heraldo* (Honduras) 20th June 2012. 'Crimen en Honduras mueve unos 147 millones de dólares desde las cárceles', Diario La Prensa (Honduras) 6th February 2014.
20. 'Terror en el centro penal de San Pedro Sula: 13 reos muertos', *El Heraldo* (Honduras) 30th March 2012.

the largest sector of the prison, on part of paisas, or non-gang members. A year later Chepe remained a mystery, though having demonstrated himself an imaginative architect of carceral leadership. After negotiating equilibrium between gangs, paisas, and officials, Chepe fashioned a social safety net, based on a graduated scale of taxation, to provide paisas and their families with health care. He invested in prison educational programs, making them obligatory for paisas and a condition of parole.[21] Money raised by inmates and unnamed Colombian donors generated new structures, second-floors, windows and terraces, winding corridors lined with butcher shops, metal workers, tailors, cafes, gambling tables, jewelers, and a decorative and lofty church. Chepe's sector has its own 'middle class' paying $5000–7000 for private, air-conditioned suites with wifi and exercise equipment. SPS directors refer to Chepe's influence as 'autoridad civil', which extends even to the surrounding city, where people without connection to the prison visit Chepe seeking assistance, often financial but including basic necessities such as even a meal.[22] Even tenuous connection with Chepe's social experiment offers degrees of personal security inaccessible to the non-incarcerated poor, not only through health care access, but as victims of domestic abuse visit paisas soliciting domestic partnerships that ensure them increased personal safety.[23]

State Annexation

At the point that the power and influence cultivated in formerly-neglected carceral wards approximated what might be perceived as a more 'just' social world than that which was outside, the National Institute of Penitentiaries of Honduras announced an overhaul to reduce overcrowding and modernise facilities. Specifically the plan will downsise the penal archipelago, reducing carceral facilities nationwide from 24 to 12, and reducing inmate populations by 40 per cent, pardoning petty criminals having served half their sentence.[24] Individuals remaining in state custody will be transferred to modernised facilities and assigned by region, to increase family visitation and support.[25]

How is investment at this scale feasible within the same constraints of austerity that disinvested Honduran prisons to the point of abandonment? Across Central America practices of co-governance have demonstrated inmates capable of managing prison interiors, though in the case of Honduras such conditions also demonstrate that prison interiors are flexible market space with captive labour and consumers. The procedures that will return carceral governance to prison administration and the evolution of carceral infrastructure to the state, annexes this informal prison economy.

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Three new prisons will disarticulate existing prison economies and open them to private bidders, offsetting the required $100 million USD investment.[26] The first is a US-style 'megacárcel' built to contain 2500 high-risk inmates, including founders, investors, and entrepreneurs of the informal prison economies. New facilities are designed to isolate and prevent communication between these individuals and other inmates, each cell a steel container surrounded by hydraulic cement, resistant to puncture and equipped with video surveillance.

While such a high-security (administrative segregation) facility facilitates the elimination of criminal finance and entrepreneurship from the penal enclosure, agro-industrial incarceration is the model for other facilities nationwide, minimum security complexes planned in consultation with state agricultural consultants, in which inmate labour in workshops and farms renders institutions self-sufficient.[27] State and private appropriation of criminal capital also extends to properties confiscated from regional narcotrafficking organisations, on which the construction of new carceral institutions were initiated.[28] Despite assertions that such new prison facilities will be self-sufficient, private contracts for prison services industries were granted to bidders from politically influential families, including that

21. Sanz, José (2014) 'El rey justo de la cárcel del infierno', *El Faro* (El Salvador) 13th January.
22. Ibid, 6.
23. Ibid, 19.
24. 'Más de 16,100 reclusos en 24 cárceles', *El Heraldo* (Honduras) 22nd October 2014.
25. 'Así se construye la cárcel de El Porvenir, Francisco Morazan', *El Heraldo* (Honduras) 20th October 2014.
26. 'Gobierno ha invertido 100 milliones de dólares en la construcción de tres centros penales', *HRN: La Voz de Honduras* 10th August 2015.
27. 'Cárcel de El Porvenir será modelo a seguir', *El Heraldo* (Honduras) 19th October 2014.
28. 'Comida en hospitals y centrols penales, otro negocio para la familia del presidente de Honduras', *Cholusat Sur* (Honduras) 21 September 2015.

of the current president, and denounced as cronyism. Additionally the annexation of inmate labour has been extended by new legislation requiring each inmate to provide 1400 hours of physical labour annually (five hours per weekday), as part of new rehabilitation programs arguing that steady labour reduces violence in prison populations.[29] Inmates producing food and goods for the maintenance of their facility also become a reserve labour army for the state, building desks for public schools, repairing rural roads, serving in reforestation, and in the maintenance of state infrastructure by splitting rocks, digging ditches, and producing and transporting raw materials such as bricks, cinderblocks, and sand. Their labour is unpaid, with any financial windfall channeled to the overall budget for the national prison system.[30]

Conclusion

Cycling money out of the illicit economy and into material and managerial necessities of the prison, across the 2000s dark finance became the secret sharer of neoliberal penality in Honduras. Though the institutional integrity of many prisons in Guatemala, El Salvador, and Honduras have been salvaged by co-governance, in Honduras it was off-the-books financing of criminal groups that prevented systemic collapse. This relationship between illicit capital and security-state austerity turned prison interiors into diverse and lucrative market spaces that produced substantial returns for private investors. This article suggests that the current overhaul of the Honduran prison system, while addressing conditions of overcrowding and high rates of pre-trial detention, is equally the annexation of a sphere of exchange that developed in response to the impacts of austere economic policy, clearing the path for 'official' privatisation and monopolistic market practices that are the sine qua non of neoliberalism. Rather than a renewed commitment to the rights of the incarcerated, the new carceral archipelago in Honduras demonstrates both the ideological rigidity and the economic flexibility of neoliberal statecraft. If new rehabilitation programs succeed in transforming the spirit of the criminalised classes of contemporary Honduras, it is unlikely to be an effect of state programs premised on wrenching capital and labour from captive populations who bankroll their own incarceration.

29. 'Congreso sigue debate de 'ley picapiedra', *País* (Honduras) 10th August 2015.
30. 'Aprueban últimos artículos de la Ley 'Picapiedra" *La Tribuna* (Honduras) 10th September 2015.