ORGANIZED AGAINST CRIME

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FROM SCHOOLS OF CRIME TO CRIMINAL HUBS? PRISONS AND ORGANIZED CRIME IN LATIN AMERICA AND THE CARIBBEAN

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ABSTRACT

We analyze the current situation of prisons in Latin America and the Caribbean. Many prisons in our region have ceased to be neutral holding facilities and, instead, operate as recruitment centers, financial nodes, and command posts for the region's major criminal organizations. Drawing on comparative data, case studies, and prior scholarly work, we document four mechanisms that turn overcrowded and weakly supervised prisons into 'criminal hubs': recruitment of new members, extraction of illicit income, coordination of violence and alliances, and enforcement of internal discipline. We then show why these dynamics erode the three classic justifications for imprisonment. *Incapacitation* fails when bosses run extortion and trafficking networks from their cells; *deterrence* fails when prison time is an expected milestone in a gang's career; *resocialization* fails when survival behind bars depends on joining a criminal group. Finally, we outline a policy agenda that reserves confinement for truly high-risk offenders; substitutes electronic monitoring and other community sanctions for low-risk cases; invests in better-managed facilities that offer dignified living conditions, accelerates trials to shrink pretrial detention; delivers evidence-based resocialization opportunities such as cognitive behavioral, vocational, and educational programs; and severs illicit communications through rigorous staff oversight and technology. Implemented together, these steps can loosen the grip of organized crime on prison systems and restore prisons' roles in public safety.

From Schools of Crime to Criminal Hubs? Prisons and Organized Crime in Latin America and the Caribbean[1]

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I. INTRODUCTION

In In this policy paper, we analyze the current situation of prisons in Latin America and the Caribbean (LAC), a region with an alarming presence of organized crime.[2] In particular, we focus on a growing phenomenon: the takeover of prisons by criminal organizations. In several countries of the region, prisons have become a key link in the activities of organized crime, facilitating recruitment into gangs, shaping conflict and alliances, disciplining members (and rivals), and running extortion, drug trafficking, and other illegal business opportunities from behind bars.[3]

Why does criminal punishment—and particularly imprisonment—exist? From biblical times ('an eye for an eye'), criminal punishment has inherently involved inflicting suffering upon someone who has committed a crime. Retributivist theories formalized the notion that criminals deserve punishment.[4] Instead, for consequentialist theories that originated from Bentham's utilitarianism theory, desert will not suffice to justify punishment. To be justified, positive outcomes from incarceration should produce a net positive impact on aggregate welfare.[5]

Based on these principles, modern prison systems have an explicit objective to not only punish but also reduce crime. According to the criminology and economics literature, this crime reduction should appear through three main channels: *incapacitation*, *deterrence*, and *resocialization*. Incapacitation

[1] This policy paper was produced as part of the Crime and Violence knowledge initiative of the World Bank Latin America and the Caribbean Chief Economist office (LCRCE). We thank Marcelo Bergman, Eduardo Engel, Benjamin Lessing, Santiago Levy, Juan F. Martínez, Marcela Meléndez, Nicolás Peña-Tenjo, José Luis Pérez Guadalupe, Juan F. Vargas, and seminar participants for useful comments and feedback. For research assistance, we thank Gonzalo Brukman, Maria J. Sotomayor, María Angelica Tan Jun Rios, Martín Vanegas-Arias, and Mariana Pinzón-Villa. We are also grateful to three anonymous interviewees—two former inmates and one corrections officer—who generously answered questions related to the role of prisons in organized crime. Ernesto Schargrodsky: Universidad Torcuato Di Tella (Business School) and InterAmerican Development Bank, ernestosc@iadb.org; Santiago Tobón: Universidad EAFIT (Finance, Economics and Government), stobonz@eafit.edu.co.

[2] A useful proxy to distinguish organized crime from common crime is the use of firearms in homicides. Roughly three-quarters of homicides in LAC are committed with firearms—with countries such as Brazil and Honduras soaring to more than 90 percent, compared to about 42 percent elsewhere (Melendez et al. 2025; Muggah 2016).

[3] Blattman et al. 2025; Lessing 2017; Lessing, forthcoming.

[4] Husak 1992.

[5] Rawls 1955.

refers to removing offenders from society, so they cannot commit additional crimes while imprisoned.[6] Deterrence involves discouraging potential criminal behavior through the threat of imprisonment.[7] Resocialization aims to improve offenders' lawful opportunities so they will desist from crime upon release.[8]

However, adverse prison conditions, negative peer effects, and human capital deterioration can make prisons ineffective or, in some cases, even foster crime.[9] In this policy paper, we go beyond the idea that prison conditions, overcrowding, and adverse peer effects can make them criminogenic ('schools of crime') by subverting possible resocialization effects. We also question whether prisons achieve incapacitation and deterrence considering the growing phenomenon in LAC of organized criminal structures taking control of prisons and managing outside crime from the inside ('criminal hubs').

Indeed, from Mexico to Argentina, criminal organizations are expanding across LAC. Incidentally, some of these organizations formed inside prisons, while others emerged in marginalized neighborhoods and later moved into prisons. They frequently control local drug markets, extort businesses and residents, and handle local security and justice provision. Many follow a structure in which local street gangs merge into larger prison-based groups. Over time, most of the largest organizations have converged on using prisons as a central node of operations. For criminal groups, prisons serve at least four organizational purposes: recruiting new members, facilitating illicit business opportunities, fostering communication for conflict management and alliances, and establishing discipline among members.

We argue that prisons in LAC rarely reduce crime because their incapacitation, deterrence, and resocialization channels break down systematically. Criminal organizations often coordinate drug trafficking and extortion from within, which weakens incapacitation. Many offenders treat incarceration as an inevitable, even valuable, step in their illicit careers, so deterrence erodes. Overcrowded and violent prisons limit resocialization. Instead, inmates are forced to join prison-based gangs for survival. These conditions enlarge prison populations, expand contraband markets, raise corruption, and empower gang leaders. Even harsh crackdowns can consolidate organizational power by bringing leaders into close contact, thus facilitating centralized governance and strategic planning.[10] These

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[6] Regarding empirical support, Barbarino and Mastrobuoni (2014), for instance, use data on a series of Italian collective pardons and find that incarceration reduces crime simply by keeping offenders off the streets during their sentences. Drago and Galbiati (2012) evaluate one of these collective pardons and report evidence that prison releases did, in fact, correspond to higher rates of reoffense among certain groups.

[7] On deterrence, Abrams (2012), for example, exploits the variation in mandatory sentencing rules in the US and finds that longer expected sentences deter some forms of crime. He also notes that the deterrent effect is not uniform across demographic or socioeconomic groups. Drago et al. (2009) find similar results exploiting a natural experiment in Italy.

[8] Existing research provides evidence that, when properly implemented, imprisonment can foster resocialization. For instance, Arbour et al. (forthcoming) report that rehabilitation programs lower recidivism when quality training and support are available. They exploit changes in the availability of prison rehabilitation programs and show that more robust program offerings are associated with modest but significant reductions in reoffending. Di Tella and Schargrodsky (2013) document that electronic monitoring significantly reduces recidivism rates compared to imprisonment, suggesting that prison can stigmatize and hinder the accumulation of skills, affecting labor market prospects for released offenders.

[9] Mastrobuoni and Terlizzese (2022) and Tobón (2022), for instance, document that inmates who experience adverse incarceration conditions tend to commit additional offenses after release. Escobar et al. (2023) and Mastrobuoni and Rivers (2019) document how criminal networks develop in prisons and foster recidivism. Munyo and Rossi (2015) show that increasing the opportunity cost of crime via cash transfers reduces recidivism. This result aligns with research documenting how inmates released to places with strong local institutions and labor markets recidivate less (Barrios-Fernandez and Garcia-Hombrados, forthcoming; Billings and Schnepel 2022).

[10] Lessing, forthcoming.

patterns transform prisons from crime inhibitors to crime enablers, turning them into hubs of criminal influence.

Based on the available academic literature and our analysis, we outline possible solutions. We find that overcrowded, resource-constrained prisons in LAC often enhance criminal governance rather than deter it. We propose reserving prisons for high-risk, violent offenders and using alternative sanctions—such as electronic monitoring—for lower-risk groups. Empirical findings show that such strategies can reduce recidivism and deter crime by limiting opportunities for criminal networking. We also favor procedural reforms to reduce pretrial detention and expedite trials, which would limit the incarceration of individuals who pose minimal danger to the public.

We recommend robust management structures, transparent oversight, and well-trained staff when authorities build new facilities. Proper inmate classification, small living units, and strict security controls can reduce the authority of prison-based gangs. We recognize the importance of evidence-based resocialization programs, including cognitive behavioral approaches, vocational training, educational initiatives, and restorative justice. These interventions reduce gang recruitment by offering legal skills and reinforcing positive social ties.

Upon release of individuals from prison, targeted support programs can ease reentry into society. Cash transfers, employment initiatives, and psychosocial services help prevent recidivism and address the financial vulnerabilities and social stigma that often push individuals back into crime.

We also propose tighter controls on prison communications. Isolating or extraditing high-level leaders, combined with technology that blocks unauthorized cell phones, can disrupt illicit networks behind bars. There is a need for caution when implementing some of these policies, however, since sometimes prison transfers can facilitate the territorial expansion of criminal groups. Finally, we review the debate on private prisons, where performance-based contracts and careful oversight may offer efficiency gains if authorities enforce high operational and resocialization standards. However, such an approach could be risky in a context where organized crime has managed to gain control and rule over many prisons.

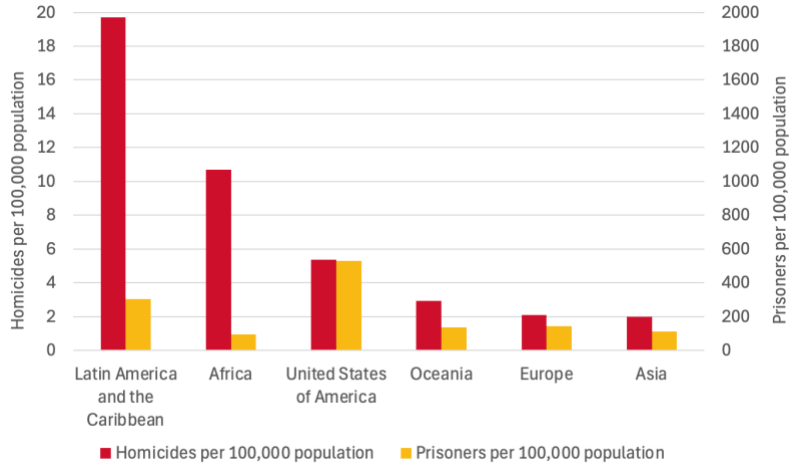
This policy paper is organized in five sections, including this introduction. Section 2 describes the current situation of prisons in LAC, with comparisons to other regions. Section 3 discusses the connections between organized crime operations and prison systems in LAC. Section 4 proposes policy solutions to address these challenges. Section 5 concludes.

II. THE STATE OF PRISONS IN LATIN AMERICA AND THE CARIBBEAN

Stylized Facts

In this section, we provide an empirical description of the current state of penitentiary systems in LAC, the region of the world with the highest level of criminal violence. With approximately 9 percent of the world population, in 2023, it accounted for about 31 percent of the world's intentional homicides, the most reliable and standard crime measure. Together with this high criminal violence, the imprisoned population in LAC is large compared to other regions of the world, representing 17 percent of the total number of prisoners worldwide in 2023. Figure 1 compares the homicide and imprisonment rates for each region.

Figure 1. Imprisonment and homicides per 100,000 inhabitants



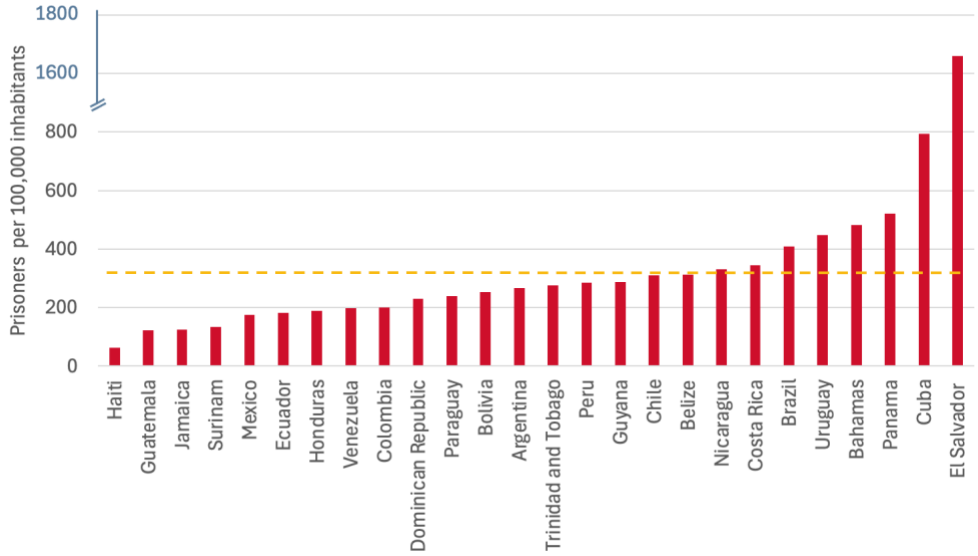
Source: UNODC. Homicide rates from https://dataunodc.un.org/dp-intentional-homicide-victims in the right axis, and imprisonment rates from https://dataunodc.un.org/dp-prisons-persons-held-regional in the left axis. Data for 2023, except 2022 for the US.

The (population-weighted) average for the region is 305 inmates per 100,000 inhabitants, well above the averages for Europe (142), Oceania (138), and Asia (112), three continents with low levels of both imprisonment and homicides. Africa (94) shows low imprisonment for its elevated homicide rate, perhaps reflecting its weak state capacities. The US is one of the countries with the highest imprisonment rates. It surpasses the LAC average with 529 prisoners per 100,000 inhabitants.[11]

Figure 2 presents the heterogeneity in imprisonment rates across LAC countries. In one extreme, the massive current figure for El Salvador required trimming of the vertical axis. The second highest is Cuba. On the other extreme, the country with the lowest rate is Haiti, which suggests that a penal system needs a functioning state. The order of countries does not follow a clear pattern. Some countries with high homicide rates, like Colombia, Mexico, Honduras, Ecuador, or Venezuela, show relatively low incarceration rates. Instead, imprisonment rates are above the regional population-weighted average in Costa Rica, Brazil, Uruguay, the Bahamas, and Panama.

[11] The US imprisonment rate of 529 is only surpassed by El Salvador, Cuba, Rwanda, Panama, and a few very small countries. Because of its size and exceptionality, we consider here the US rather than North America. Mexico is included in LAC, whereas Canada shows quite low homicide and imprisonment rates (and represents around one-tenth of the US population).

Figure 2. Prisoners per 100,000 inhabitants – LAC



Source: World Prison Studies (https://www.prisonstudies.org/world-prison-brief-data). Data for 2023–2024, except 2022 for Jamaica and Venezuela, 2021 for Bahamas, 2020 for Cuba, and 2018 for Nicaragua and Trinidad and Tobago.
Note: Prisoners by 100,000 inhabitants in LAC. The dotted line is the population-weighted average for LAC countries. The El Salvador's bar is trimmed.

Incarceration and crime levels in LAC show a complex and generally weak association. In theory, imprisonment could rise as a reaction to higher crime levels, or conversely, it could help reduce crime if it effectively deters or incapacitates offenders. In practice, the data do not reveal a clear pattern: countries such as Chile, Argentina, Bolivia, Paraguay, Peru, Nicaragua, and Suriname combine relatively low homicide rates with below-average imprisonment, while others like Mexico, Colombia, Ecuador, Honduras, Venezuela, and Jamaica exhibit high homicide levels despite comparatively low incarceration. Brazil stands apart, with both indicators relatively high.

The lack of a clear relationship between crime and imprisonment levels also appears when considering the evolution over time. Imprisonment rates have almost doubled in LAC from 158 per 100,000 population in 2000 to 305 in 2023. However, this large increase in incarceration shows little correlation with the evolution of the homicide rate, which fell slightly, from 22 to 20, during the same period.[12]

A similar message emerges when using victimization rates instead of homicides. Victimization surveys—though less frequent—capture broader exposure to crime across populations. On average, the victimization rate in LAC (34 percent) nearly triples that of the rest of the world (13 percent). Yet, as with homicides, higher incarceration rates only show a mild negative correlation with victimization rates in the region.[13]

[12] Without attributing benefits in terms of crime reduction to the rising incarceration and instead arguing that prison growth has endogenously produced more crime, Bergman and Fondevila (2021) explain that the incarceration rise resulted from a significant surge in the fear and concern about crime in the population, which led to a more punitive approach across the region. This 'penal populism' in response to public crime outcry included the enactment of new penal codes, lengthening of sentences, legislation of flagrancy laws, shift toward effective imprisonment for felonies previously sanctioned with conditional detention, and hiring of additional police officers who increased the number of arrests.
[13] Schargrodsky and Freira (2023) also show a mild decrease in average victimization rate for the region for 2000–2018.

Regarding the composition of the prison population in LAC, inmates are mostly male, in agreement with the gender composition of the criminal population. The population-weighted average of female prisoners is below 6 percent. Guatemala is an exception, showing a female percentage that doubles the regional average.[14] Inmate surveys from eight LAC countries show that most inmates come from low socioeconomic backgrounds with less than nine years of schooling (73 percent), frequent imprisonment of other family members (37 percent), and presence of drugs and alcohol (44 percent) or violence (59 percent) at home during childhood.[15] The average age of inmates in these surveys is 33. Moreover, the population-weighted average of foreign prisoners for the region is about 2 percent, suggesting that migrants are not overrepresented in the prison population, as the percentage of migrants in the population more than doubles that figure.

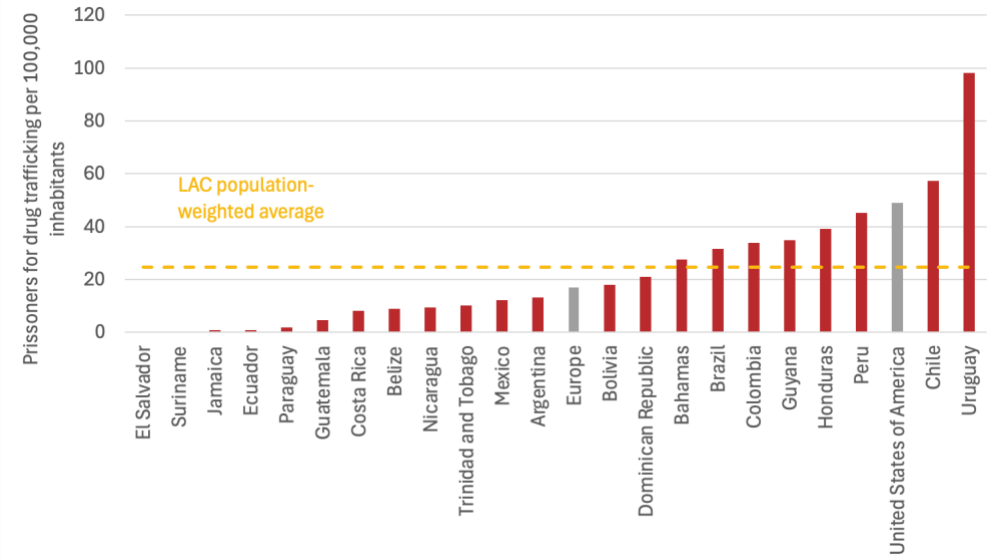
The focus of this paper is on the relationship between incarceration and organized crime. A more specific question, then, is whether imprisonment is related to organized criminal activity. However, finding a cross-country metric of organized crime is challenging. One available alternative is the Global Organized Crime Index, produced biannually by the Global Initiative Against Transnational Organized Crime since 2021. In the 2023 Index, three LAC countries were in the top 5, while twelve LAC countries ranked among the world's top 50 by the criminality score.[16] Colombia, Mexico, Paraguay, Ecuador, Honduras, Panama, and Brazil are the countries in the region with the highest organized crime levels, whereas Uruguay, the Bahamas, Suriname, Belize, Bolivia, and Argentina exhibit the lowest levels.

So far, we have considered all inmates. Ideally, one would like to separate those who are imprisoned for organized crime activities from those imprisoned for other crimes. Unfortunately, this disaggregation is unavailable, at least in a homogeneous, cross-country, periodic manner. The available data from the United Nations Office for Crime and Drug Control (UNODC) distinguish by type of crime, but 'organized crime' is not a type of crime. Moreover, not all categories are available for all countries.[17] And, even for homicides, it is impossible to disaggregate those related to organized crime from those that are not.

Of the 16 categories, perhaps the one most related to organized crime is drug trafficking, which no criminal can commit in isolation. Acts involving the possession of drugs could also be considered, but these two categories are not available for most LAC countries and could be linked to drug use rather than trafficking. Thus, in Figure 3, we focus on prisoners for drug trafficking, who represent 14 percent of total inmates for the LAC countries with available information.[18] Jamaica, Ecuador, Paraguay, Mexico, and most Central American countries show surprisingly low levels of incarceration for drug trafficking. Instead, Uruguay and Chile, perhaps with better state capacity, show the highest levels.

[14] See chapter 5 of Bergman and Fondevila (2021) on female imprisonment in LAC.
[15] See Bergman and Fontevila (2021) for results from surveys of inmates (a total of more than 8,500 interviews) performed in Argentina, São Paulo, Chile, Costa Rica, Honduras, El Salvador, Peru, Mexico City, and Mexico State in 2012–2017.
[16] Melendez et al. 2025.
[17] The 16 types of crime in the UNODC database are acts against property involving violent acts, acts against property only, acts against public order, acts against public safety and state security, acts against the natural environment, acts involving controlled psycho substance, acts involving fraud, deception, or corruption, acts leading to death or intending to cause death, acts leading to harm or intending to cause harm, bribery, drug possession, drug trafficking, injurious acts of a sexual nature, intentional homicide, rape, and other criminal acts not elsewhere classified.
[18] Inmate surveys provide a similar percentage of 16 percent of inmates imprisoned for drug-related offenses (Bergman and Fontevila 2021).

Figure 3. Prisoners for drug trafficking per 100,000 inhabitants



Source: UNODC data (see https://dataunodc.un.org/dp-prisons-persons-held) for 2021–2022, except 2020 for Suriname, 2019 for Guatemala and Nicaragua, 2014 for Brazil, and 2011 for Paraguay.
Note: Imprisoned persons for drug trafficking every 100,000 inhabitants in LAC. USA (2020) and Europe weighted average for comparison.

When comparing overall imprisonment with the Organized Crime Index (and its subcomponents), the data suggest that higher organized crime intensity tends to coincide with lower imprisonment rates. A similar pattern appears when focusing specifically on imprisonment for drug trafficking, indicating that countries more affected by organized crime do not necessarily impose higher incarceration rates for drug-related offenses.

In summary, LAC is a region with high incarceration rates, together with the highest levels of crime (according to both homicide and victimization rates). However, across LAC countries, imprisonment rates do not seem significantly related to crime levels, neither in general nor for organized crime offenses or proxies. If anything, higher imprisonment rates seem mildly associated with lower crime levels, perhaps induced by better law enforcement and state capacity in some countries, although the available data do not allow us to make causal statements beyond descriptions.

Prison Conditions

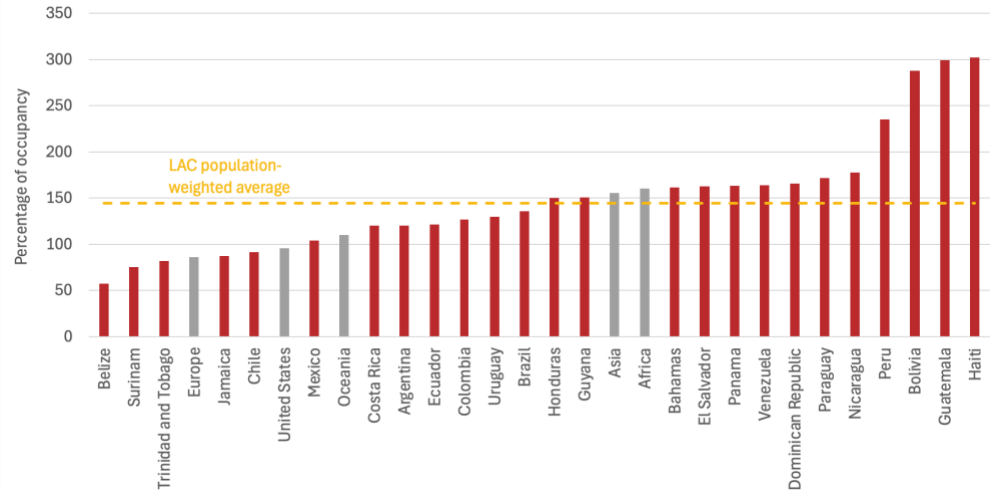
A pervasive feature of most LAC prisons is their deteriorated conditions.[19] In particular, they exhibit high overcrowding levels, aggravated by the accelerated imprisonment mentioned earlier, which was not accompanied by sufficient prison expansions. Overcrowding is a good proxy for prison conditions, as it

[19] Inmates surveyed in prisons across eight LAC countries report no, insufficient, or poor access to clean drinking water (21 percent), medical attention (32 percent), clean bathrooms (26 percent), and sufficient food (43 percent). See Bergman and Fontevila (2021) on prison conditions in LAC, including the high levels of inside violence and homicides.

is correlated with lack of access to health and resocialization services, under-provision of security and guards, and under-provision of space and sanitary services, among other dimensions.

We present prison overcrowding for selected countries in Figure 4. On average, overcrowding in the region is 44 percent—1.44 inmates per available slot—but in several countries like Peru, Bolivia, Guatemala, and Haiti, there are more than two inmates per slot. Only Chile, Jamaica, Trinidad and Tobago, Surinam, and Belize show no overcrowding on average. Nonetheless, these are aggregate levels, which implies that specific facilities in these countries might still suffer from overcrowding. Asia and Africa show levels of prison overcrowding similar to LAC, but prison conditions in developed regions (Europe, Oceania, and the US) are less pernicious.

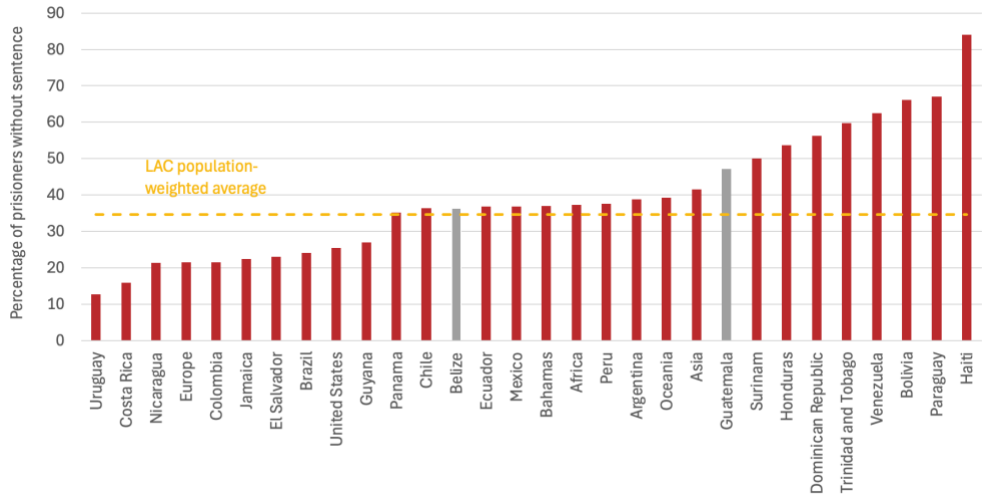
Figure 4. Prison overcrowding



Source: World Prison Studies. Data for 2023–2024, except 2021 for Chile, Jamaica, and Costa Rica, 2022 for Guyana, 2018 for Nicaragua.
Note: Percentage of prison occupancy in LAC and other regions. The dotted line is the population-weighted average for LAC countries.

Another important dimension is the share of inmates without a penal sentence. Figure 5 shows that, on average, 35 percent of inmates have no sentence in the LAC penitentiary systems. Again, this is similar to the levels in Asia, Africa, and Oceania but above the US and European levels. This situation poses several social challenges, especially when individuals spend large periods of time in prison while still on trial. First, many are found not guilty, which—beyond the specific wrongful and unjust situation—is detrimental to the legitimacy of prisons as a punishment and of the state itself. Second, in overcrowded prisons, partially filled with inmates on trial, interaction between individuals is often hard to control. This might lead to situations where individuals with a low criminal profile interact intensively with others who have more criminal contacts and experience, fostering recidivism of the former.

Figure 5. Percentage of prisoners without sentence



Source: World Prison Studies. Data for 2023–2024, 2022 for Guyana, 2021 for El Salvador, Uruguay and Jamaica, 2020 for Venezuela and Bahamas, 2016 for Nicaragua. Note that other sources such as Human Rights Watch (2024) report higher levels of imprisonment without sentence for El Salvador after the 2022 crackdown.
Note: Percentage of prisoners without sentence in LAC and other regions. The dotted line is the population-weighted average for LAC countries.

Recidivism Rates

As discussed in the introduction, prison systems are generally intended to incapacitate, deter, and resocialize offenders. One straightforward way to observe whether prisons effectively resocialize offenders is by looking at their recidivism rates. The key challenge for this analysis, however, is the measurement of recidivism and whether different measures enable meaningful comparisons across prisons and countries.

The complexity of recidivism measures is the unobservability of repeated criminal behavior. This leads researchers and policy makers to rely on proxies such as new arrests, returns to prison, and new convictions.[20] Furthermore, there is significant variation in how countries interpret and record recidivism. Some jurisdictions track the proportion of individuals who return to prison out of a release cohort. Others measure the share of the current prison population with one or more prior convictions.[21] Ideally, we would also like to have recidivism rates by type of crime, which are not available.

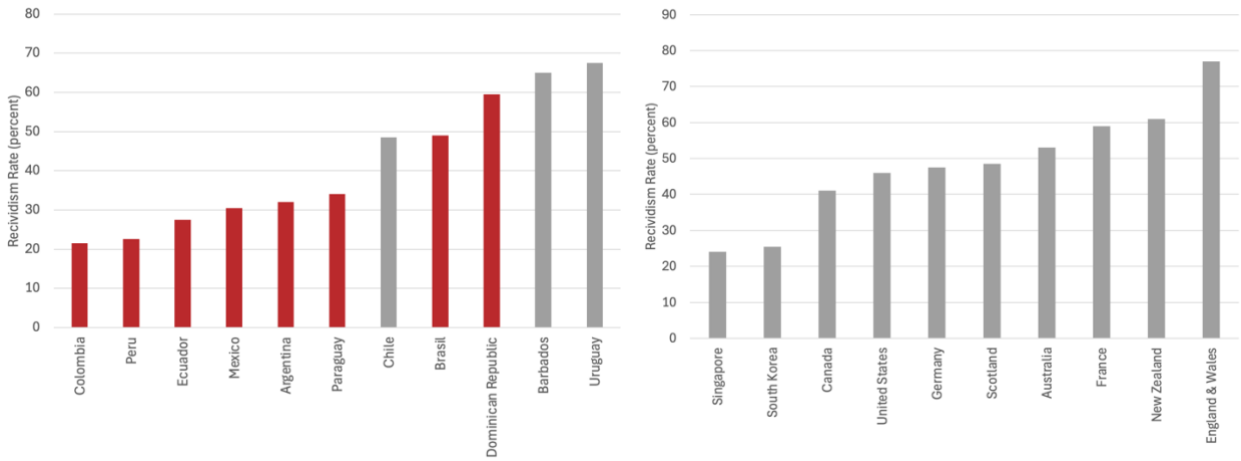
Figure 6 displays recidivism rates for a sample of countries. The bars in gray correspond to systems that measure recidivism as the share of inmates who return to prison within a given time frame. The bars in light red correspond to systems that measure recidivism as the share of inmates with one or more prior convictions. Within each proxy, we observe substantial differences in the reported values, likely due to

[20] Each proxy has its strengths and limitations. For instance, new arrests provide the most frequent data points because authorities record them at an early stage of the criminal justice process. However, they include a significant amount of noise since most of these arrests do not reflect proven infractions. At the other extreme, new convictions constitute the strictest standard in many jurisdictions. Courts must find guilt beyond a reasonable doubt, so convictions yield a relatively small number of cases, but they often represent the most reliable evidence of recidivism.

[21] A release-based measure allows us to gauge the extent to which correctional institutions deter or fail to deter future crimes. A population-based measure reveals the prevalence of individuals with repeated contact with the law, but it might obscure the experiences of those who reoffend after release without returning to prison.

heterogeneous state capacities, prison conditions, and resocialization efforts (among other factors). In countries that register the share of inmates with one or more prior convictions, the numbers span from about 20 percent in Colombia to almost 60 percent in the Dominican Republic. For countries that focus on the probability of returning to prison within a time frame, Chile registers about 50 percent while Barbados and Uruguay register about 60 percent.[22] Regardless of the methodological discrepancies, the data suggest a clear message: in LAC, a high proportion of the people who spend time in prison (whether convicted or not) return to the system at some point. This poses great policy challenges for the security policy in the region.

Figure 6. Official recidivism rates for select countries
(LAC countries to the left and other countries to the right)



Sources: Instituto Nacional Penitenciario y Carcelario (Colombia); Instituto Nacional Penitenciario (Peru); Censo Penitenciario (Ecuador); Universidad Nacional Tres de Febrero (Mexico, Brazil); Sistema Nacional de Estadística sobre Ejecución de la Pena (Argentina); Gendarmería de Chile (Chile); OEA (Dominican Republic, Barbados); Ministerio del Interior (Uruguay); Yukhnenko et al. (2020) (Singapore, Republic of Korea, Germany, Australia, New Zealand); Fazel and Wolf (2015) (Canada, US, Scotland, France, England and Wales).
Note: Recidivism rate for LAC and other countries. Red is calculated over the imprisoned population. Gray is calculated over samples of released prisoners.

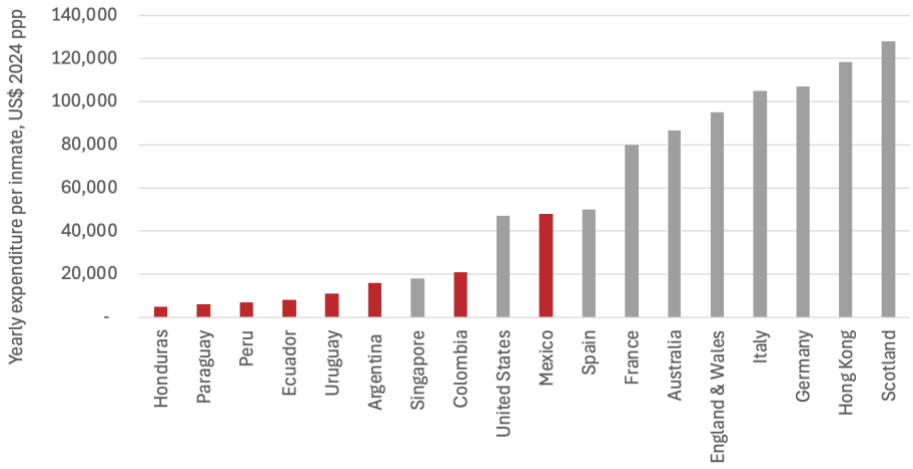
Prison Expenditures

Finally, we observe pronounced differences in annual per-inmate expenditures across prison systems around the world. Figure 7 summarizes the information for a selection of countries with available information. Prison expenditures seem to mirror broader economic conditions, as countries with greater fiscal capacity appear to commit more per-inmate resources. Virtually all LAC countries with available information allocate substantially fewer resources than their higher-income counterparts. Countries such as Italy or Germany spend almost 20 times as much as Honduras, Paraguay, or Peru.

[22] A third methodological alternative, although available only sporadically, is the use of surveys asking inmates about their previous imprisonment experiences. Using this methodology for Argentina, CELIV (2022) reports recidivism rates of 39 percent for 2013 and 41 percent for 2019, above the official recidivism rates. Similarly, more than 40 percent of inmates report they were rearrested after release from a prior incarceration experience in prison surveys from eight LAC countries (Bergman and Fontevila 2021).

We also see substantial variation within LAC, with Mexico spending more than double than the second country in the ranking (Colombia).[23]

Figure 7. Yearly expenditures per inmate, US$ 2024 PPP



Sources: World Prison Studies for the prison population and Tribunal Superior de Cuentas (Honduras), Ministerio de Justicia (Paraguay), Ministerio de Justicia (Peru), Informes Rendición de Cuentas (Ecuador), Transparencia Presupuestaria (Uruguay), Gobierno de la Provincia de Buenos Aires (Argentina), Singapore Budget (Singapore), Presupuesto General de la Nación (Colombia), Vera Institute (US), Observatorio de Prisiones (Mexico), Aebi et al. (2019) (Spain, France, England and Wales, Italy, Germany, Scotland), Reports on Government Services (Australia), Budget Hong Kong (Hong Kong SAR, China), for yearly expenditures. Data for the latest available year, adjusted for 2024 US$ and purchasing power parity (PPP).
Note: Yearly expenditures per inmate of LAC, with comparisons. Data for Argentina are for the Province of Buenos Aires. Data for the US are for 45 states and include state-level expenditures.

Low expenditure levels entail several implications. First, under-resourced prisons are usually overcrowded and lack robust security measures.[24] Second, insufficient resources can reduce the quality and availability of health services for inmates.[25] Third, scarce funding restricts rehabilitation programs.[26]

[23] Alternatively, we could compare the fiscal expenditure in prisons as a percentage of gross domestic product (GDP) from the International Monetary Fund (IMF) Government Finance Statistics of Expenditure by Function of Government. However, this figure is available for few countries in the region and only for central governments, whereas prisons are usually a state/province responsibility in federal countries. For 2022/2023, this percentage ranges from 0.005 percent for Brazil's central government to 0.42 percent for El Salvador.

[24] Overcrowding is a direct consequence of insufficient investment in prison capacity to cope with the increased incarcerated population. Moreover, under limited budgets, scarce guards must oversee large inmate populations with poor technology and training. This environment creates incentives for criminal organizations to regulate prison life and grow in power. When governments do not allocate sufficient funds, they risk creating conditions undermining safety within facilities and public trust in justice institutions.

[25] Prison facilities require appropriate medical equipment and a sufficient number of trained staff. When budgets are limited, authorities may struggle to meet minimum standards in preventive care and emergency treatment. Such shortfalls can elevate the risk of communicable diseases within facilities and strain health care systems.

[26] Vocational training, educational opportunities, and counseling programs are used to reintegrate individuals. Although these programs can reduce recidivism, they often require specialized personnel, relevant materials, and adequate space. LAC prison administrators, especially those in countries with yearly expenditures under US$10,000 per inmate, may find it difficult to finance these activities at scale.

III. Organized Crime and the Role of Prisons

This section proposes a framework that distinguishes between two broad categories of criminal groups: those that originally formed or expanded inside prisons (prison-based) and those that emerged in urban neighborhoods (street-based). The Primeiro Comando da Capital (PCC) in São Paulo, the Comando Vermelho (CV) in Rio de Janeiro, Tren de Aragua in Venezuela, and the Mexican Mafia (La Eme) in Los Angeles are prominent examples of prison-based organizations. In contrast, Medellín gangs and Los Monos in Rosario originated primarily in urban territories. In practice, the process is not dichotomous. Salvadoran maras were born somewhat as a mixture of both.

We argue that these two categories—or their combination—converge on a heavy reliance on prisons as focal points for recruitment, revenue collection, communication, conflict management, and organizational discipline. This reliance appears to intensify in contexts where prison management capacity is low, and prison personnel can be corrupted or threatened, resulting in weakened law enforcement within prisons.

While evidence for these relationships is often observational, a consistent pattern across case studies and scholarly accounts suggests that institutional weaknesses are closely linked to prison-based criminal governance. Yet, the case of La Eme portrays that this problem transcends LAC's persistent lack of state capacity: eventually, prison systems are vulnerable to become part of regular organized criminal operations.

Two Broad Categories of Criminal Organizations

Prison-Based Organizations

Prison-based organizations represent criminal groups that have developed significant organizational capacity within correctional facilities. Research on criminal governance underscores how prison conditions can foster sophisticated gang structures. Often, prison gangs undermine state authority by offering inmates protection services, regulating disputes, and establishing written or unwritten codes of conduct.[27] At the same time, the emergence of prison gangs occurs when inmates require governance solutions in overcrowded penitentiaries that lack adequate state oversight.[28] Groups like the PCC or La Eme adopt hierarchies, codes of allegiance, and violent disciplinary tactics to control inmate populations.[29] They then extend their networks beyond prison walls, which enables prison leaders to coordinate criminal activities in the streets.

In prison-based organizations, leaders fill governance vacuums by providing a form of security inside the prisons. They use violence strategically against inmates who disobey internal codes or officials who threaten their influence. At the same time, they exert external control by punishing members who fail to comply outside. These groups develop legitimacy among members by regulating internal disputes and offering relative order in a chaotic environment, which they subsequently export to the streets through fear of prison-based retaliation.

[27] Lessing 2017.
[28] Skarbek 2011, 2012, 2024.
[29] Lessing and Denyer Willis 2019; Skarbek 2012.

The PCC, founded in the early 1990s in São Paulo, built a cohesive 'brotherhood' that combines bureaucratic coordination with ideological loyalty. From inside the prisons, its leaders mediate disputes, collect profits, and regulate street-level markets through a network of disciplined intermediaries. The CV, born in Rio's prisons in the late 1970s, followed a more fragmented trajectory, periodically fracturing into rival factions. While their origins and internal dynamics differ, both organizations transformed Brazil's prison system into a central pillar of criminal governance. Rather than weakening them, incarceration provides a platform to coordinate drug distribution, arms logistics, extortion schemes, and recruitment. Movements of inmates across facilities often spread criminal norms and expand the geographical influence of criminal organizations (see Box 1 for background on their emergence and evolution).

Similarly, Venezuela's Tren de Aragua transformed the Tocorón prison into a fortress-like headquarters from which it coordinated extortion, migrant smuggling, and kidnapping across several South American countries.[30] Public prison resources funded external operations, while loyalty was enforced through profit redistribution and internal executions. In the US, La Eme institutionalized prison-based governance earlier than any Latin American counterpart.[31] Through a rigid hierarchy of *carnales*, it commands tribute from street gangs, arbitrates disputes, and sustains drug markets—demonstrating how carceral settings can stabilize criminal governance through codes of loyalty, punishment, and financial dependency.

Box 1. Brazilian prison gangs

Brazil's penitentiary system has served as the cradle for two of Latin America's most powerful criminal organizations: PCC and the CV. Both emerged in contexts of overcrowding, violence, and institutional neglect, but their formative paths diverged. The PCC took shape in São Paulo as a self-defense collective that later adopted a more formalized structure.[32] The CV originated earlier in Rio de Janeiro through interactions between political prisoners and common inmates that fostered a discourse of solidarity and mutual protection. Over time, both organizations expanded far beyond the prison walls, developing transnational operations that reach neighboring countries such as Paraguay, Bolivia, and Colombia.[33]

Despite their distinct trajectories, both groups rely on prisons as the backbone of their organizational model. Incarcerated leaders coordinate street-level activities, negotiate with allies and rivals, and enforce internal discipline. Communication with operatives outside occurs through contraband phones or corrupt staff, enabling prison-based leaders to maintain strategic control.[34] Transfers of members between facilities often carry organizational norms to new environments, reproducing networks and alliances across the country. Prisons also function as recruitment hubs where new arrivals are socialized into the rules, obligations, and expectations of each organization.

[30] Rísquez 2023; Insight Crime 2024d.
[31] Skarbek 2011.
[32] Lessing and Denyer Willis 2019.
[33] Insight Crime 2020, 2024a.
[34] Lessing and Denyer Willis 2019; Insight Crime 2024a.

The PCC's model is marked by cohesion and semi-bureaucratic governance, grounded in a shared identity referred to as the 'brotherhood'.[35] This internal coherence allows the group to centralize decision-making, mediate disputes, and impose sanctions, sustaining the organization even when leaders are moved to high-security units.[36] In contrast, the CV has experienced recurrent fragmentation, with schisms driven by disagreements over leadership and resource distribution.[37] These ruptures have generated rival factions, yet the CV maintains a strong presence in Rio's favelas and continues to expand through alliances, territorial control, and violence.[38] For both groups, relationships forged in prison remain the foundation of operational capacity and legitimacy.[39]

Street-Based Organizations

Street-based organizations primarily originate in urban neighborhoods and often maintain a strong territorial presence. Gangs in Medellín (called *combos*) provide an illustrative example, as they initially proliferated in low-income communities where the state's presence was weak, drug traffic was high, and informal economies flourished. Nevertheless, these organizations also rely extensively on prisons. Many street-based organizations gradually develop ties to incarcerated leaders and use imprisonment as an opportunity to recruit new members, sustain communication networks, and coordinate extortion and drug distribution. Medellín gangs have developed sophisticated methods of criminal governance both outside and within prisons.[40]

Gangs that form on the street or within local communities often develop considerable organizational structures inside prisons over time, particularly as members enter and leave correctional facilities. In many LAC cities, these organizations find that prisons are sources of manpower and an environment where leaders can reinforce internal discipline. Through direct or indirect control over inmate populations, street-based leaders may force younger gang members to perform tasks that generate income, expand territories, and cultivate relationships with corrupt officials who can facilitate the flow of illicit resources between prisons and the streets.[41]

The *combos* of Medellín display a decentralized criminal governance model coordinated through mafia-like confederations known as *razones*. These structures regulate neighborhood-level markets for drugs, extortion, and informal services, operating through collusive arrangements that limit violence and stabilize revenue. Although these networks emerged from urban dynamics rather than from within prisons, incarceration nonetheless reinforces their authority: detained leaders mediate disputes, enforce discipline, and maintain influence through coded communication with trusted intermediaries. This configuration illustrates how imprisonment consolidates rather than creates criminal power in Medellín (see Box 2).

[35] Lessing 2017.
[36] Lessing and Denyer Willis 2019.
[37] Insight Crime 2024a.
[38] For example, Magaloni et al. (2020).
[39] Lessing, forthcoming.
[40] Blattman et al., 2025.
[41] Blattman et al. 2024a.

Box 2. Gangs of Medellín

Street gangs in Medellín emerged during the cocaine boom of the 1980s and 1990s, when demand for armed enforcers created opportunities for neighborhood-based criminal groups. Today's *combos* operate at the block and barrio level, overseeing local drug retail, extortion, control of public transport routes, and the regulation of informal markets. There are roughly 400 such groups in the metropolitan area. Above them sit approximately 20 umbrella confederations called *razones*, which coordinate criminal activity, manage disputes, and maintain a relatively peaceful oligopoly. *Razones* sometimes collaborate with transnational traffickers to secure access to international markets, further enhancing their influence over territory and revenue streams.[42]

Medellín's prisons serve as strategic outposts for this system. Detained leaders retain authority through family networks and trusted intermediaries, often negotiating temporary alliances or territorial arrangements from behind bars. Prison-based communication helps minimize open conflict in the streets and reduce law enforcement pressure. The city's prison infrastructure also supports hierarchical stability: high-level inmates send coded instructions, authorize sanctions, and arbitrate disagreements over profits or drug pricing.[43] Their authority blends coercion with localized forms of legitimacy rooted in long-standing ties to hillside communities.[44]

Although *combos* originated primarily outside prison walls, incarceration now provides protection, logistical continuity, and access to corrupt or coerced guards who facilitate communication and the flow of contraband. This prison-street link has allowed Medellín's criminal networks to sustain operations despite periodic crackdowns and shifting territorial disputes.

In Rosario, Los Monos evolved from a family-based protection network into a vertically integrated criminal enterprise controlling local drug 'bunkers' staffed by *soldaditos*—marginalized youth serving as the operational base of the organization. Their authority depends on street-level enforcement, patronage links with local elites, and capacity for violent retaliation. Violence in Rosario mainly revolved around turf wars for control of micro-trafficking zones rather than transnational drug traffic.[45] While incarceration of Los Monos leaders initially failed to dismantle the organization—indeed prisons became command extensions—the government enforced stricter penitentiary reforms since 2024 banning cellphone use, conducting sudden searches and prisoner transfers, isolating gang members in separate wings, and controlling outside visits. After initial criminal retaliation, this approach, combined with the increased deployment of federal security forces in Rosario and their improved coordination with provincial police, led to a significant decline of 65 percent in Rosario's homicide rate between 2023 and 2024.[46]

Finally, the *maras* of El Salvador—the Mara Salvatrucha (MS-13) and Barrio 18—are examples of organizations that exhibit features of both types. Born in the streets of Los Angeles and transplanted to

[42] Blattman et al. 2025.
[43] Blattman et al. 2024b.
[44] Blattman et al. 2025.
[45] Insight Crime 2024b.
[46] Insight Crime 2024c; La Nación 2024a; Ministerio de Justicia y Seguridad de Santa Fe 2025.

Central America through deportations in the 1990s and early 2000s, they fused street-based identity with prison-based governance. For years, prisons served as their command hubs, sustaining extortion economies that financed territorial control.[47]

Imprisoned leaders coordinated extortion rackets, along with drug distribution and cross-border smuggling, and controlled entry and exit within the gang's hierarchical structure.[48] Communication with street-level operatives relied on contraband cell phones or coded messages exchanged during visiting hours. From prisons, Salvadoran gangs managed disputes, negotiated short-term truces, structured territorial arrangements, and provided members with mutual defense.

Understanding the centrality of prisons in Salvadoran organized crime, the massive government crackdown from 2022 (after negotiations and truces that started around 2015) included the strict tightening of prison conditions. Under a prolonged state of exception, the government suspended constitutional protections, including the right to legal counsel and due process, and implemented mass incarceration at an unprecedented scale.[49] As of 2024, more than 80,000 individuals had been detained on gang-related charges during the state of emergency. Security forces targeted both high-profile leaders and rank-and-file members, dismantled extortion networks, and significantly curtailed prison communication by banning visits and expanding the use of maximum-security conditions. The crackdown included the construction of a new 40,000-capacity 'mega-prison' (CECOT – Terrorism Confinement Center) aimed at isolating top gang operatives.

El Faro (2023) reports that large-scale arrests and prolonged states of emergency reduced visible gang activities in many areas, significantly increasing security perceptions. These coordinated actions disrupted leadership continuity and severed key links between street-level cliques and incarcerated command structures. The 2022 government crackdown led to a large drop in the homicide rate from 17.3 in 2021 to 1.9 in 2024.[50]

Convergence in Prison Reliance

Prison- and street-based organizations, although originated in different settings, appear to converge in the reliance on prisons for at least four main purposes: recruitment, income generation, communications for conflict management and alliances, and discipline. To further investigate these phenomena, we conducted interviews in Colombia, two with former inmates and one with a corrections officer. These conversations confirm that prisons often serve as hubs for criminal organizations rather

[47] Sviatschi 2022.
[48] El Faro 2023.
[49] The Salvadoran experience raises important concerns about sustainability, human rights, and replicability. The crackdowns' short-term effectiveness stems in part from extreme measures that may be politically or legally untenable elsewhere. Allegations of mass arbitrary detentions, torture, and overcrowding have drawn international scrutiny (Human Rights Watch 2022). The absence of judicial guarantees and resocialization programs may undermine long-term reintegration efforts. Regarding replicability, the model depends on a strong central executive with broad coercive powers, which may not exist or may be politically contested in other Latin American countries.
[50] A large previous reduction in the homicide rate, from 107.6 to 17.3 between 2015 and 2021, had resulted from an agreement with MS-13 and Barrio 18 to decrease violence in exchange for improved prison conditions and early release. Although the truce succeeded in containing lethal violence, it increased extortion (Dudley 2020; Melendez et al. 2025). Homicide data from UN Office on Drugs and Crime Data Portal and Fiscalia General de la República de El Salvador.

than places that disrupt unlawful activities. The interviewees described how incarcerated individuals maintain networks, exercise leadership, and manage illicit markets even when physically confined.

It emerged that prisons function like small cities. They have well-established economic arrangements that range from drug sales to the subletting of beds. Interviewees described an informal 'real estate' market inside some facilities, where individuals rent or sell sleeping spaces to new arrivals, who must pay if they want a permanent bed. Guards seldom intervene, either because they see no straightforward way to regulate these arrangements or because overcrowding forces inmates to self-organize.

Regarding hierarchical structures within each cell block, one interviewee explained that major gangs often divide the prison into sections based on neighborhood or group affiliation. Within each section, a leader enforces rules, controls contraband, and allocates resources. The corrections officer confirmed that these criminal organizations replicate their external structures inside the prison. Leaders collect fees for smuggling drugs, cell phones, or extra food. Individuals with no ties to a gang may receive protection in exchange for loyalty or other forms of collaboration and thus are ultimately forced to join it.

Communication lines remain open between inmates and outside associates. Individuals coordinate extortion, retail drug sales, and armed disputes from within prison walls. Cell phones are common, despite cosmetic confiscation efforts. Visitors, complicit staff, and frequent inmate transfers help keep criminal operations linked to the street. One former inmate described this system as a continuous flow of information (the 'witch mail' from the Spanish *correo de brujas*), which allows prisons to stay constantly connected with external crime. He noted that the leadership from within still commands illegal activities in local neighborhoods.

The social factors that push people into gangs were also highlighted. The corrections officer cited weak family structures, limited educational opportunities, and a lack of stable paternal figures as elements that prompt youths to seek acceptance in criminal groups. The officer argued that the prison environment reinforces these patterns. Idle time, minimal resocialization programs, and minimal reentry support keep individuals tethered to gang networks. A former inmate explained how casual friendships inside can become criminal partnerships since close quarters and shared routines encourage the exchange of illicit skills and ideas.

Evidently, incarceration does not necessarily break ties to organized crime. Instead, prisons can reinforce these connections by uniting people with complementary criminal assets. Interviewees stated that the market for contraband persists with the acquiescence or involvement of some guards. Leaders benefit financially and use their standing to exert control both within prisons and in external territories.

Recruitment

Many criminal organizations view prisons as fertile grounds for recruiting new members. Gang leaders tap into populations of vulnerable inmates who lack protection or economic support. They offer security, financial assistance, and emotional backing in exchange for obedience to gang rules. Prison gangs establish forms of governance, such as dispute resolution, that, in turn, attract inmates seeking stability in chaotic facilities.[51]

[51] Lessing 2017.

Street-based groups also look to prisons as recruitment hubs, with trusted lieutenants maintaining a presence in specific cell blocks to coordinate future membership growth. High-return illicit activities often require a steady pipeline of criminals. Prisons, under-resourced and overcrowded, represent a strategic recruitment site, as members can prey on inmates with limited alternatives for survival. Recruitment in prison entails mutual benefits. Prison gangs gain manpower, and recruits receive protection, potential financial support from external drug or extortion operations, and the chance to advance within the criminal hierarchy.

Illegal Business Opportunities

Prisons serve as income-generating sites for criminal organizations in several ways. First, extortion of fellow inmates and their families is commonplace when prison management is weak.[52] Gang members charge 'rent' for protection or access to communal areas. Second, leaders often impose a system of illicit taxation on contraband markets for drugs, weapons, and everyday goods smuggled into the facilities. Gangs collect revenue by controlling these markets and punishing unauthorized sellers or middlemen.

Several studies have identified the role of prison-based extortion in consolidating a gang's finances. Controlling contraband flows represents a revenue stream that has enabled La Eme's leaders in Southern California to invest in broader criminal enterprises.[53] Gangs in Brazil use prison-derived revenues to fund drug distribution networks in major urban *favelas*, bribe officials, and sustain the families of incarcerated members.[54] Across LAC, limited oversight of prison transactions allows organized groups to exploit captive markets. Correctional facilities are exploited by organized groups for financial gain. Much of the available evidence consistently points to the strategic economic function of prisons in gang economies.[55]

Communications for Conflict Management and Alliances

Criminal organizations rely on prison networks to plan and coordinate activities, negotiate alliances, and manage disputes. Leaders who wield power inside prisons can serve as arbiters in conflicts that occur outside. When turf wars erupt between rival groups, incarcerated leaders often communicate with each other or with associates outside. This communication helps them reach temporary truces or alliances. Prison-based leaders frequently broker deals that reduce costly hostilities among external factions. Criminal governance structures play a crucial role in shaping patterns of violence outside and within prisons.[56] They can even explain citywide peaceful periods.[57]

Communication methods can range from covert messages passed by corrupt prison guards to encrypted cell phone messages. In some instances, imprisoned leaders host 'summits' within prison walls, especially in facilities that have become virtual headquarters for top-level decision-makers.[58] The

[52] Cavgias et al. 2023; Lessing and Denyer Willis 2019.
[53] Skarbek 2012.
[54] Lessing and Denyer Willis 2019.
[55] Surveys asking inmates in Argentina, Brazil, Chile, Costa Rica, El Salvador, and Peru whether they know about outside crimes (extortion, kidnapping, drug trafficking, theft, and homicide) being organized or orchestrated from within the penitentiary show a positive response from 19.2 percent of nongang members and 29.5 percent from gang members (Bergman and Fontevila 2021).
[56] Blattman et al. 2024b; Campedelli et al. 2023; Lessing 2020.
[57] Blattman et al. 2024b.
[58] Lessing and Denyer Willis 2019.

capacity to organize from behind bars transforms prisons into key nodes in the network of organized crime. These dynamics pose a challenge for state authorities because secure communications inside prisons remain difficult to monitor or disrupt when institutional resources are inadequate.

Discipline and Deterrence

Imprisoned leaders often use correctional facilities to regulate the behavior of free members. Leaders can summon subordinate gang members to prison if they violate codes or fail to meet financial obligations. The threat of incarceration—often framed as an inevitable outcome for criminals—becomes a way to maintain strict discipline within the organization. Members realize that if they are arrested and placed under the same authority structure in prison, they risk severe punishments at the hands of gang superiors.[59]

In effect, the probability of prison punishment fosters compliance with organizational rules outside prison because the gang leaders' capacity to inflict violence is often greater behind bars, where they concentrate power, maintain an extensive network of loyal enforcers, and fleeing is highly unlikely.[60] Prison-based leadership can impose external obedience through credible threats of punishment for deviant members.[61] Hence, prison- and street-based organizations use prisons in tandem with street operations to produce credible deterrents that foster internal cohesion.

Prisons, State Capacity, and Prison Management

The reliance of criminal organizations on prisons intensifies when state capacity and prison management are weak, a situation that has become the norm in many LAC countries.[62] Overcrowding, scarcity of resources, and corruption among officials contribute to an environment conducive to criminal governance, with poor institutional oversight in prisons allowing gangs to fill governance gaps.[63] They issue rules, settle disputes, and provide a semblance of order in an otherwise unregulated environment.

These patterns are observed across many cities in the region. For instance, in Rio de Janeiro, areas with weaker law enforcement experience higher infiltration by criminal groups, which also extends to prisons.[64] When correctional officers lack the resources or training to exert control, gang leaders expand their operations, including prison extortion. Institutional failures and insufficient state presence create space for criminal enterprises to flourish.[65]

Once gangs consolidate control within prisons, their influence often further degrades institutional capacity, creating a feedback loop that undermines state authority. Incarcerated leaders use their command posts to orchestrate attacks on state officials, intimidate prison staff, and retaliate against judicial decisions, as seen in Rosario and São Paulo.[66] These actions weaken deterrence, compromise internal discipline, and disincentivize reform-minded leadership. Moreover, when inmates access

[59] Lessing and Denyer Willis 2019; Skarbek 2011.
[60] Blattman et al. 2024a.
[61] Le Moglie and Sorrenti, forthcoming.
[62] Lessing and Denyer Willis 2019.
[63] Skarbek 2024.
[64] Cavgias et al. 2023.
[65] Accardo et al. 2023; Campedelli et al. 2023.
[66] Insight Crime 2020, 2024b.

goods, services, and privileges through gang structures rather than through institutional channels, the legitimacy of formal prison governance erodes. Over time, the presence of organized crime within carceral institutions not only reflects a crisis of state capacity but also exacerbates it. As criminal governance becomes the norm, correctional systems risk becoming operational arms of illegal economies rather than instruments of law enforcement and resocialization.

Overcrowding as a Catalyst

Overcrowding is a chronic challenge in many LAC prison systems and is associated with higher rates of violence and gang control.[67] It has become exacerbated as rapid prison population growth has outpaced investments in correctional infrastructure in many LAC countries. Overcrowding amplifies the demand for informal governance because state authorities struggle to maintain adequate supervision and control. Inmates then seek protection from gang leaders, who impose internal codes and levy taxes on cellblocks. In Brazil, for instance, the explosive growth of the PCC has coincided with surging prison populations. Such organizations gain legitimacy among inmates by stepping in where the state fails to provide acceptable conditions.[68] That legitimacy, in turn, boosts their capacity to project power beyond prison walls.

High inmate density intensifies the scarcity of basic goods, from food to medicines. Gangs fill this vacuum by regulating supply chains and imposing prices for items that the state should provide at no cost. This dynamic further entrenches the gang's governance role. However, in contexts where governments attempt to reduce overcrowding without addressing underlying corruption, they cannot limit gang presence in prisons.[69] Organized groups can adapt quickly to changes in official policy. Hence, purely administrative interventions—such as transferring high-profile leaders to other facilities—often fail unless the state can address the structural problems behind overcrowding, including low investment, excessive pretrial detentions, and punitive drug policies.[70]

Corruption and Co-optation of Officials

Corruption among prison staff and public officials is widely believed to facilitate the operations of criminal groups. Multiple case studies and reports indicate that bribery, collusion, and fear of retaliation enable criminal actors to sustain illicit activities behind bars.[71] Guards often permit contraband flows in exchange for bribes or out of fear of reprisal from powerful gang leaders. This strengthens the organization's grip over both inmates and compromised officials, who face consequences if they attempt to sever ties. A parallel illegal governance can emerge, as in the low-income areas of Rio de Janeiro, where police corruption is prevalent. Similar logic applies within prisons.[72] Corruption erodes trust in the correctional system and undermines any attempt at effective oversight.

Officers' collusion also increases the capacity of prison-based organizations to communicate with outside associates. Corrupt guards allow the smuggling of cell phones and facilitate unmonitored visits. In more extreme cases, high-level prison administrators enter into tacit agreements with gang leaders to maintain temporary peace inside facilities, effectively ceding operational space to these groups.

[67] Lessing 2017; Tobón 2020.
[68] Lessing 2020.
[69] Escobar et al. 2023; Tobón 2020.
[70] Lessing, forthcoming.
[71] Lessing, forthcoming.
[72] Magaloni et al. 2020.

Although some policies target corruption through stricter controls and personnel surveillance, enforcement often remains inadequate in environments where guards' wages are low, and the risk of violent retaliation is high. These conditions allow criminal organizations to continue using prisons as safe havens for illicit business.

Incapacitation, Deterrence, and Resocialization in Latin American and Caribbean Prisons

Prisons in LAC do not fulfill their intended functions of incapacitation, deterrence, or resocialization.

Incapacitation

Prisons do not incapacitate criminals because organized crime leaders govern major criminal enterprises from behind bars, consolidating control over drug trafficking, extortion, and other illicit activities.[73] In principle, incarceration should remove dangerous offenders from society. However, the prison environment in many of these countries enables powerful gang leaders to coordinate operations in the streets through contraband cell phones, corrupted staff, and the fear they instill in fellow inmates.[74] These factors render the notion of effective incapacitation obsolete: physical confinement does not necessarily mean a cessation of criminal involvement. In fact, the opposite may occur. Prisons can provide new criminal opportunities by facilitating recruitment, expanding gang membership, and serving as spaces where individuals acquire or refine criminal skills. Exposure to peers with criminal expertise while incarcerated leads to persistent increases in illegal behavior, suggesting that incarceration not only fails to deter but actively contributes to the production and reproduction of crime.[75] In such contexts, imprisonment operates less as a mechanism of control and more as a node in the broader criminal ecosystem.

Deterrence

In many contexts, prisons fail to deter criminals because incarceration can confer status within gang hierarchies. Many inmates earn positions of greater influence or seniority once they enter the prison system, and they leverage this power to expand their networks or increase revenue streams through prison-based extortion and other illicit businesses. Sentencing can produce deterrent effects only if potential offenders fear punishment.[76] In LAC, the available evidence suggests that deterrence is impaired because criminal actors perceive prison as an inevitable step in their illicit careers and, at times, a valuable opportunity for personal advancement within the organization.[77]

Resocialization

Most prisons fail to resocialize inmates, particularly when overcrowded conditions and entrenched criminal governance offer incentives to forge and strengthen illicit connections rather than acquire legitimate skills. Officials often lack the resources to implement meaningful education programs or facilitate inmate resocialization.[78] This environment drives offenders to join prison-based gangs for

[73] Lessing and Denyer Willis 2019.
[74] Lessing 2017.
[75] Escobar et al. 2023.
[76] Abrams 2012.
[77] Escobar et al. 2023; Tobón 2022.
[78] Tobón 2022.

protection and illicit income, thus perpetuating patterns of recidivism. Overcrowding further hampers resocialization because inmates must focus on survival in a setting governed by gang-imposed rules. When resocialization efforts do exist, their impact remains weak if violence, corruption, and criminal opportunities overshadow attempts at inmate reform.

IV. SOLUTIONS FOR RESTRUCTURING PRISON SYSTEMS IN LAC

When criminal groups control prisons, efforts to bar inmates from illicit activities, discourage future crimes through fear of punishment, and equip offenders with lawful vocational skills all fail. Thus, policymakers in the region must grapple with the reality that current incarceration conditions strengthen, rather than weaken, organized crime and recognize the need to move beyond traditional punitive approaches.

With these challenges in mind, we propose strategies that address the structural and institutional problems that drive criminal governance in correctional facilities. Our recommendations focus on improving prison conditions, implementing post-release support, disrupting communication between incarcerated leaders and associates on the outside, and considering the role of private prisons in addressing organizational bottlenecks. Below, we outline some proposals to reshape the role of prisons in LAC, based on recent research that could be adapted to the region's context.

Importantly, the success of the proposed policies hinges on two essential, yet often overlooked, foundations: state capacity and political will. Effective prison reform demands more than just policy design. It requires robust bureaucracies capable of implementing change, monitoring outcomes, and resisting capture by criminal or clientelist networks. In contexts marked by under-resourced judicial systems, weak oversight bodies, or entrenched corruption, even well-intentioned reforms risk being diluted or co-opted. Moreover, certain reforms—such as improving conditions of confinement, implementing non-custodial alternatives, or expanding electronic monitoring—may provoke political resistance in environments where punitive discourse dominates electoral incentives. Overall, innovations that challenge carceral norms often require a broader commitment to long-term institutional development and credible political leadership.

Improving Prison Conditions for Inmates

Better Targeting of Who Goes to Prison

Overcrowding in LAC prisons (see Figure 4) in part results from excessive use of confinement of nonviolent offenders and lengthy sentences. When incarceration rates outpace available resources and institutional capacity, prisons become conducive to gang governance.[79] Reducing overcrowding is vital to loosening criminal organizations' grip over inmate populations.

Better targeting refers to reserving incarceration for violent, repetitive, and high-risk individuals while directing the rest of offenders to alternative sanctions. Research shows incarceration has significant negative effects for certain groups: juveniles face a 23–28 percent higher adult incarceration rate and a 13–49 percent lower high school graduation rate, while employed individuals experience a 30 percent

[79] Skarbek 2012; Tobón 2022.

decline in employment lasting up to five years.[80] While no published estimates currently exist for LAC, studies in the US suggest that the prison population could be reduced by 42 percent without a predicted increase in crime rates by improving the jail-or-release decisions for pretrial detainees.[81] Societies should also reconsider prosecuting first-time, nonviolent misdemeanor and low-level offenders, as avoiding a criminal record greatly improves future outcomes. Erring toward leniency for first-time offenders dramatically reduces recidivism. In the US, not prosecuting such offenses has been shown to boost employment prospects.[82] 'Three-strikes' laws, which assign shorter or even no penalties for first-time offenders, lead to strong deterrence effects while reserving prisons for the more complex cases.[83]

Additional studies document how shorter sentences or alternative sanctions can reduce crime and recidivism in specific circumstances. In contrast, increasing sentence length may deter some individuals but their effect is dampened when prison conditions facilitate networking among criminals.[84] In addition, evidence shows that most people on the verge of committing a crime rarely think ahead, so longer prison sentences do little to deter them.[85] Therefore, more severe penalties are not cost-efficient for reducing crime rates.[86]

In the LAC context, focusing on genuinely dangerous offenders could prevent overcrowded facilities and reduce the potential for prison-based recruitment. In particular, the depenalization of drug consumption would reduce overcrowding and avoid the negative effects of incarceration for a low-risk population that needs health treatment rather than punishment. Our recommendation is to structure sentencing policy in a manner that prioritizes prison space for individuals who pose a high risk to public safety while devising alternative sentences for lower-risk offenders.

Alternatives to Incarceration

Alternatives to incarceration, such as parole, probation, electronic monitoring, and restorative justice can be highly effective. Electronic monitoring can lower recidivism by up to 50 percent compared to traditional confinement, saving an average of US$15,840 per detainee.[87] Introduced in the late 1990s as a substitute for traditional incarceration policies, electronic monitoring costs about US$10 per day compared to approximately US$34 per day for imprisonment in the Province of Buenos Aires. The evidence from Argentina has been replicated by similar positive results observed in the US, the UK, France, Sweden, and Australia.[88] The bulk of the evidence suggests that electronic monitoring generates net fiscal savings when comparing the costs of monitoring devices with the reduction in correctional expenditures and the savings from decreased recidivism.[89] Electronic monitoring is an investment that is consistent with the goals of minimizing overcrowding, limiting the social capital that offenders build in prison, and preventing the expansion of prison-based gangs.

[80] Aizer and Doyle Jr. 2015; Bhuller et al. 2020; Eren and Mocan 2021.
[81] Kleinberg et al. 2018.
[82] Agan et al. 2023; Doleac 2023.
[83] Helland and Tabarrok 2007.
[84] Abrams 2012.
[85] Doleac 2024; Ludwig 2025.
[86] Donohue and Wolfers 2006; Estelle and Phillips 2018; Polinsky and Riskind 2019; Raphael and Stoll 2014; Rose 2021; Rose and Shem-Tov 2021.
[87] Di Tella and Schargrodsky 2013.
[88] Grenet et al. 2024; Henneguelle et al. 2016; Marie et al. 2011; Rivera 2023; Williams and Weatherburn 2022.
[89] Henneguelle et al. 2016.

When convicts serve their sentences under electronic surveillance, they avoid the types of prison interactions that may lead to deeper criminal involvement. Therefore, we believe that this approach is especially relevant in LAC, where the prevalence of prison-based organized criminal structures coexists with understaffed facilities that also fail to segregate violent from nonviolent inmates.

Similarly, restorative justice conferencing, where offenders confront the harm they have inflicted on victims and communities, can provide an alternative track for low-risk offenders, also reducing the prison population. Research has shown that these alternatives can reduce recidivism rates by 50 percent, improve employment outcomes by 50 percent, and reduce criminal justice costs by approximately 70 percent.[90]

Reducing the Use of Pretrial Detention

As shown in Figure 5, pretrial detention often inflates prison populations in LAC. Many individuals held awaiting trial eventually receive noncustodial sentences or are acquitted, yet they still spend weeks, months, or even years in prison. Moreover, pretrial detention inertially increases conviction probabilities.[91] Through these channels, pretrial detention facilitates the recruitment of innocent or low-risk individuals into gangs. We believe that procedural reforms aimed at expediting trials or allowing the supervised release for nonviolent defendants would help reduce the inflow of inmates who would otherwise be exposed to prison gang governance.

Governments should tighten the legal criteria for pretrial detention, adopting the principle of using incarceration only when there is a demonstrated risk of flight or danger to the community. Evidence from the US, for instance, shows that pretrial detention decreases the bargaining power of defendants, increasing guilty pleas. This then translates into higher conviction rates, lowering defendants' prospects in the formal labor market.[92] Streamlined judicial processes, possibly involving specialized courts for minor offenses, can reduce case backlogs. Improved collaboration among police, prosecutors, and courts can help accelerate case resolution.[93] Our recommendations aim to reduce the unnecessary expansion of prison populations that exacerbates gang influence.

Building New and Improved Prisons

Policymakers in LAC frequently propose prison construction programs to address the large increase in incarceration and reduce overcrowding. Building new and better prisons is not contradictory with investing in strategies to reduce the prison population, as discussed earlier. For example, the improved conditions of 10 new prisons, constructed in Colombia between 2010 and 2013, led to a 36 percent reduction in recidivism. Such facilities provided inmates with better infrastructure, more services, lower occupancy levels, and a higher proportion of guards. This evidence resonates with similar findings from the US and Italy.[94]

It is feasible to develop a more humane prison system that also yields better outcomes. For instance, in Norway, incarceration has been shown to lower the prevalence of mental health disorders, while in

[90] Mueller-Smith and Schnepel 2021; Shem-Tov et al. 2024.
[91] Dominguez and Lazcano 2025.
[92] Dobbie et al. 2018.
[93] Bjerk 2005; Lim et al. 2015.
[94] Chen and Shapiro 2017; Mastrobuoni and Terlizzese 2022.

Sweden, it has reduced mortality risk.[95] In contrast, the harsh prison conditions in LAC and the US have led to entirely different—often detrimental—outcomes.[96]

Better prison design that also aligns with logistical priorities includes single-occupant cells or smaller dormitory settings, which can disrupt the ability of gangs to dominate large communal areas. Prison construction and improved facilities can also reduce recidivism if they introduce improved management structures such as better inmate classification, stricter internal controls, and adequate staff training.[97] If new prisons simply replicate weak management structures, corruption, and insufficient staffing, we should not expect large improvements in security or resocialization outcomes. In the new Colombian prisons, the cost-benefit per prison slot three years after their operation started was positive for any crime with a social cost exceeding US$2,000.[98] Yet, such benefits probably have diminishing returns as the size of the prison system grows. This should be considered when deciding whether to build new prisons.

Staff training is crucial because even well-designed infrastructure fails when guards can be corrupted or coerced. Systematic and transparent hiring processes for correctional personnel and continuous performance evaluations, coupled with appropriate wages, may reduce corruption risks. Salaries are indeed key, as they allow to hire personnel with relatively high human capital. We also propose more robust institutional oversight through independent monitoring bodies with the authority to conduct surprise inspections and implement corrective measures. Moreover, the development of specialized areas of penitentiary intelligence can help gather, analyze, and use information to identify and manage threats within correctional facilities.

Implementing Evidence-Based Resocialization Programs

Evidence-based resocialization programs can mitigate the criminogenic environment of prisons and reduce recidivism. When prisons are not solely punitive institutions, offenders have opportunities to gain legitimate skills and reestablish social ties outside the criminal economy. Negative intergenerational consequences of incarceration are less severe when inmates can maintain supportive family connections and have access to rehabilitative services.[99] We propose vocational training, educational programs, and restorative justice initiatives as strategies to reduce recidivism by promoting prosocial behavior.[100]

Some programs focus on restorative justice conferencing.[101] These interventions can reduce future criminal behavior, although they require specialized staff and effective facilitation. It is important to also stress the role of school-related factors in shaping long-run adult crime, suggesting that educational programs both before and during incarceration can influence life trajectories.[102] Incorporating formal schooling and remedial education in prisons can help address the low literacy rates and sparse job prospects that characterize many inmates' profiles in LAC.[103] By shifting prison culture away from

[95] Bhuller et al. in press; Hjalmarsson and Lindquist 2022.
[96] Alsan et al. 2023; Biondi 2016; Chen and Shapiro 2007; Karlsson and Zielinski 2020.
[97] Tobón 2022.
[98] Tobón 2022. As a reference, estimates for the US suggest that the social cost of one homicide is roughly US$9 million, a sexual assault is US$240,000, and an assault is US$107,000 (McCollister et al. 2010).
[99] Norris et al. 2021.
[100] Hjalmarsson 2009; Shem-Tov et al. 2024.
[101] Shem-Tov et al. 2024.
[102] Bacher-Hicks et al. 2024.
[103] Hjalmarsson et al. 2015; Lochner and Moretti 2004.

violence and fostering opportunities for personal development, these programs can reduce inmates' reliance on gang structures.

Cognitive behavioral therapy (CBT) is a structured, short-term psychological intervention that helps individuals recognize and change distorted patterns of thinking and behavior; in criminal justice settings, CBT programs typically last 8–12 weeks and cost roughly US$500–$2,000 per participant, making them highly cost-effective relative to their social benefits. Indeed, these interventions have been known to show positive effects on ameliorating violence and antisocial behavior.

An eight-week CBT for criminally engaged men saw initial declines in offending and, when reinforced with US$200 in cash, cuts in criminal activity reached up to about 50 percent.[104] A decade later, antisocial behavior remained lower for the therapy group and more so for therapy with cash, with effects concentrated among the highest-risk men.[105] CBT-informed interventions (group sessions with role-plays that teach 'slow thinking') also exhibit positive impacts on incarcerated populations. One program in Chicago led to a 28–35 percent drop in total arrests, a 45–50 percent reduction in violent crime arrests, better school engagement, and graduation rates rising by 12–19 percent. With modest costs (generally under US$1,850), these results suggest that interventions yield benefit-cost ratios of at least 5-to-1, possibly up to 30-to-1.[106] Evidence from Quebec's prison-based CBT-based Parcours program shows that participation lowers the probability of reoffending by roughly 18 percentage points within one year and reductions of about 9 percentage points within three years.[107] Several other studies have also found positive impacts of different therapy programs and alternatives to incarceration on recidivism and reoffense.[108] Taken together, this evidence suggests that the implementation of CBT and other therapy programs in prison facilities in LAC could have large and cost-effective benefits.

The IGNITE program and the PSN Youth Outreach Forums in the US are two of the most rigorous recent interventions showing that well-designed jail and detention initiatives can substantially reduce both in-facility misconduct and reoffending. IGNITE offers daily education, behavioral, and workforce-readiness programming through small-group sessions and digital learning modules. Each month of participation lowers serious in-jail incidents by about 49 percent and reduces recidivism by 8–15 percentage points, with estimated social savings of US$3,000–US$5,600 per participant within a year, at an operational cost of roughly US$400–US$1,000 per person annually, making it highly cost-effective.[109] The PSN Youth Outreach Forums, a series of four-day dialogue-based deterrence and mentorship sessions for detained youth, similarly show powerful impacts, reducing subsequent detention by about 20 percent and arrests by 18 percent over 8–12 months.[110] Despite limited direct spending, approximately US$6,000 per youth treated, the program is estimated to generate social benefits between US$10,000 and US$360,000 per participant, highlighting how targeted, short-duration interventions can achieve large behavioral and economic returns.

[104] Blattman et al. 2017.
[105] Blattman et al. 2023.
[106] Heller et al. 2017.
[107] Arbour 2021.
[108] Wilson et al. 2005.
[109] Alsan et al. 2025.
[110] Davis et al. 2025.

Implementing Post-Release Support Programs

Governments need to invest in housing, employment, health, food assistance, and other social services to break the detrimental cycle of incarceration. Implementing robust rehabilitation programs is essential for lowering recidivism and reducing prison populations. Indeed, high recidivism rates are critical drivers of chronic prison overcrowding and persistent organized crime networks in LAC. Individuals who exit prison without skills, employment prospects, or supportive social connections often revert to gang activity. Numerous studies emphasize that prisoners often return to the same disenfranchised neighborhoods without receiving adequate services during or after incarceration, which frequently contributes to recidivism.[111] Three primary policy tools—mental health care, cash transfers, and employment programs—can help address these vulnerabilities.

Mental Health Care

Criminal behavior is sometimes attributable to untreated mental illness, especially for violent crimes. In the US, 44 percent of people in jail have a mental disorder before incarceration. Released inmates often face stigma, strained family relationships, and psychological challenges stemming from their prison experiences. A study on the health effects of incarceration showed that incarceration can negatively affect mental health when access to health care professionals is limited, which in turn influences recidivism patterns.[112] Structured counseling, substance abuse treatment, and mentoring can alleviate these issues. It has been revealed that mental health interventions in jail settings alter trajectories for at-risk individuals.[113] Extending mental health care beyond release dates can stabilize former inmates and reduce their reliance on criminal organizations for financial and social support, especially for individuals at risk of reoffending.[114]

Research shows that men with mental illness who lose access to mental health care are 19 percent more likely to be incarcerated (for both property and violent crimes) in the year following the loss of eligibility.[115] Low-cost and low-touch programs that screen high-risk individuals and set up immediate post-release mental health appointments substantially lowered 180-day recidivism rates by 12 percentage points. This effect lasts for at least another year. This program offers a small number of proactive contacts that screen for serious mental illness and schedule follow-up appointments.[116] Thus, improving affordable and accessible mental health care reduces crime.

Partnerships between governmental agencies and nonprofits may be promising. Evidence from Chile suggests that community organizations can reinforce social norms that deter criminal behavior.[117] By connecting released inmates to supportive networks, policymakers can offset the strong influence of prison-based gangs that attempt to recruit individuals upon release. These initiatives require well-trained social workers, counselors, and community volunteers who can deliver sustained, face-to-face guidance.

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[111] Agan and Makowsky 2023; Cullen et al. 2023; Doleac 2023; Donohue and Siegelman 1998; Galbiati et al. 2021; Harding et al. 2014; Karlsson and Zielinski 2020; Looney and Turner 2018; Pager 2003; Richie 2001; Schnepel 2018; Western et al. 2015.
[112] Bhuller et al., forthcoming.
[113] Cunningham et al., forthcoming.
[114] Doleac 2018.
[115] Jácome 2020.
[116] Batistich et al. 2025.
[117] Barrios-Fernandez and Garcia-Hombrados, forthcoming.

As we described earlier, CBT-type interventions reduce criminal behavior by addressing the cognitive and behavioral patterns that drive offending.[118] These programs work through several mechanisms, such as helping people recognize and challenge distorted thinking or equipping them with strategies to manage anger and frustration without resorting to violence. All these can also be valid for high-risk individuals leaving prison.

Cash Transfers

Providing monetary assistance to formerly incarcerated individuals can smooth the transition back to lawful livelihoods. Lump-sum transfers to inmates at the moment of release can reduce recidivism in the short term.[119] In Uruguay, recidivism is high on the first day after release from prison: the number of property crimes committed on any given day is significantly influenced by the number of prisoners released that same day, with approximately 25 percent of released prisoners reoffending on the day of their release. In response to this, a program that increased the prison release gratuity by US$1.5 (from a preprogram base of US$0.7) effectively reduced first-day recidivism.

Similarly, losing access to food stamp benefits after release increased financially motivated recidivism by 16 percent in the US.[120] Relatedly, cash transfers (US$180 per month) and food stamps (US$540 per family per month) reduced one-year recidivism by about 10 percent.[121] Likewise, emergency financial assistance in Chicago, equivalent to approximately one monthly rent, reduced violent crime arrests by 51 percent by improving housing stability.[122]

Taken together, the evidence suggests that policies that reduce the immediate financial strain on former inmates may prevent renewed engagement in criminal networks. Therefore, targeted, time-limited cash transfers can help with basic needs like housing, job search, and transportation, thus reducing the need for property-crime-driven recidivism. Moreover, in contexts where households rely heavily on informal labor, such cash transfers can avert desperation-driven crime or recruitment into gangs.

Clearly, such programs should include oversight to ensure that they do not subsidize illicit activities. Moreover, gradual withdrawal of benefits could incentivize stable employment by making the magnitude and duration of the transfers conditional on recipients' participation in rehabilitative or training programs.

Employment Programs

Related to the earlier discussion, some studies indicate that stable employment is a key impediment to recidivism.[123] Employment stability plays a crucial role in enabling individuals to meet basic needs after prison.[124] We then propose facilitating short-term jobs that provide transitional work opportunities for former inmates. The logic behind these programs is straightforward: If released inmates struggle to find legitimate work, they become easy targets for organized crime groups looking to expand their ranks. One alternative is to implement conditional cash transfer programs where payments are conditional on

[118] Blattman et al. 2017; Heller et al. 2017.
[119] Munyo and Rossi 2015.
[120] Tuttle 2019.
[121] Yang 2017.
[122] Palmer et al. 2019.
[123] Agan and Makowsky 2023; Galbiati et al. 2021; Schnepel 2018.
[124] Harding et al. 2014.

working. Typically, however, many employers demonstrate hesitancy when considering candidates with criminal records.

Interventions that aim to increase human capital, such as job training or transitional jobs for people recently released from prison, often show short-term employment gains but no lasting effects on employment or recidivism.[125] Transitional job programs raise employment during participation, but effects vanish afterward.[126] However, unlike these small and targeted programs, stable and well-paying jobs appear to permanently reduce recidivism.[127]

While LAC's inefficient labor markets make these types of policies unfeasible, focusing on the highest-risk individuals could lead to welfare gains sufficient to make public employment programs possible. Such employment initiatives could involve infrastructure maintenance, environmental projects, or other labor-intensive tasks. These programs would pay a livable wage for a preestablished duration while participants receive job coaching and soft skills training. Government agencies might partner with private sector employers willing to hire program graduates, facilitating a pathway to long-term employment.

Disrupting Communications with the Outside

The ability of criminal leaders to coordinate from behind bars is a major factor that sustains large-scale organized crime in LAC. We consider two primary strategies: targeted isolation or segregation of high-level leaders and technical or procedural measures to reduce unauthorized communications with street affiliates.

Isolation, Extradition, or Segregation of Key Leaders

When specific leaders exercise substantial influence over external gang structures, authorities can isolate them in high-security facilities. This approach can involve physically moving kingpins to remote prisons, with minimal communication. In Italy, the '41-bis' special prison regime (often called 'hard prison' from the Italian *carcere duro*) is an exceptional custody regime created to sever all links between certain high-risk prisoners and their criminal organizations. It allows the Ministers of Justice or Interior to suspend ordinary prison rules for dangerous prisoners such as mafiosi leaders, to prevent them from directing or coordinating criminal activities from inside prison. The regime was enacted after notable mafia massacres in the early 1990s. An examination of the incapacitation effect of incarceration in the context of Italian collective pardons found that selective approaches to confinement can generate short-run crime reductions. However, isolation must be combined with strict oversight to prevent the emergence of a new leadership hierarchy within the facility.[128]

Extradition can also disrupt local criminal networks if the receiving country enforces stricter monitoring and segregation. However, the cost and complexity of extradition are nontrivial, and extradition may lead to unintended consequences if new leaders quickly fill out the power vacuum. Also, these measures can eventually lead to a new equilibrium where kingpins are held in isolated federal facilities while their

[125] Doleac 2024.
[126] Barden et al. 2018; Valentine and Redcross 2015.
[127] Doleac 2023.
[128] Barbarino and Mastrobuoni 2014.

organization keeps running, as often happens in Brazil.[129] Indeed, the national expansion of the CV in Brazil is often linked to the transfers of its leaders to the federal system.[130]

Other Strategies to Reduce Communication with 'Street Soldiers'

Corrupt or intimidated prison personnel often enable the flow of contraband cell phones and other communication tools. LAC should invest more in technologies that detect and block unauthorized signals. Some jurisdictions have implemented jamming devices or managed access systems that can neutralize mobile communications without affecting legitimate phone lines. These systems are not a panacea; criminals adapt through alternative communication channels, including smuggling physical letters or relying on visitors. However, implementing advanced communications controls can raise the cost and complexity of maintaining criminal networks from behind bars.

Research indicates that preventing prison guards' corruption is paramount but challenging.[131] Recommended measures include stricter staff screening, monitoring, and harsh penalties for those who collude with inmates. Anticorruption bodies have begun examining prison systems. However, systemic issues such as low pay, inadequate training, and unsafe working conditions can foster a culture where corruption is perceived as 'normal' and difficult to eradicate.[132] In many countries, guards work in the same communities that prison gangs come from, making them vulnerable to threats or community pressure to collaborate.[133] This blurred line between inside and outside society often enables organized crime to buy influence or coerce compliance from prison staff, frustrating efforts to contain illicit activities.

Implementing Private Prisons: Potential Benefits and a Cautionary Note

Often, policymakers in LAC argue that private prisons could help reduce overcrowding and improve management. Privatization might shorten construction timelines, leverage specialized expertise, and introduce performance-based contracts. Private operators can, under certain contractual arrangements, supply services more efficiently.[134] The long-run effects of private prisons on recidivism in the US are mixed and context specific, largely associated with how contracts are structured.[135]

However, we highlight two potential benefits of private prisons. First, faster construction and timely management decision-making: Private operators might navigate bureaucratic and procurement processes more swiftly, providing additional prison capacity that meets higher standards of safety and staffing. Second, carefully structured contracts can include clear targets for recidivism reduction, security standards, and resocialization services. When government agencies tie compensation to measurable outcomes—such as lower violence rates within the prison or lower recidivism—private

[129] Insight Crime 2020, 2024a.
[130] Lessing, forthcoming.
[131] Braswell et al. 2017; Goldsmith et al. 2018.
[132] Van Rijckeghem and Weder 2001.
[133] Ludwig 2022.
[134] Hart et al. 1997.
[135] Kim 2022; Mukherjee 2021.

operators might invest more heavily in staff training or inmate programs. This potential benefit mirrors the advantages of public-private partnerships in infrastructure development and maintenance.[136]

Nevertheless, we must view prison privatization with caution. One risk is that cost-cutting measures may reduce inmate care quality or staff wages, potentially leading to corruption or violence. Another is that profit motives could overshadow resocialization goals. In some US contexts, private prisons have been associated with longer prison spells, higher inmate populations, and more misconduct reports. They do not effectively reduce costs and are associated with worse recidivism outcomes.[137] In the LAC context, where criminal groups have taken de facto control of some prison facilities, policymakers should carefully incorporate the risks of public-private partnerships in their policy decisions. Any materialization of these risks can strengthen organized crime. Furthermore, the risks associated with the lobbying of a future prison industry relative to the low state capacity of many LAC countries and cities should not be underestimated.

V. CONCLUSIONS

We examined the functions that prisons should ostensibly serve—incapacitation, deterrence, and resocialization—and asked whether the reality in LAC aligns with these goals. Our analysis suggests that the prison systems in the region frequently fail to fulfill those functions. In many countries, incarceration increases criminal actors' capacity to organize, recruit, and coordinate illicit operations. Rather than incapacitating offenders, prisons operate as criminal hubs from which high-level leaders direct drug trafficking and extortion. Rather than deterring crime, they offer status and networking opportunities that can strengthen an individual's criminal trajectory. Rather than resocializing inmates, they produce environments where violence, scarce resources, and corruption undermine the prospects of legitimate reintegration into society.

These conclusions echo two core theoretical perspectives on punishment. The retributivist arguments center on the idea that offenders must receive suffering that matches their offenses, yet the resulting penal systems may reinforce cycles of violence under weak institutional infrastructure. Consequentialist positions emphasize the importance of minimizing total harm: If prisons create more crime than they prevent, there is a net welfare loss. Our findings suggest that many carceral facilities in LAC have fallen into precisely that condition. In those facilities, chronic overcrowding and inadequate management create ideal breeding grounds for gangs, which claim to deliver protection and governance inside prison walls and replicate that authority on the street.

We also discussed a convergence in how different types of organizations—those that developed on the street and those that formed inside the penal system—depend on prisons to strengthen their revenue streams, maintain discipline, and coordinate strategies for illicit activities. For prison-based organizations, confinement is an operational hub rather than an interruption of criminal plans. For street-based groups, incarceration is both a recruitment funnel and a place to consolidate leadership structures. For both, the legitimacy vacuum inside prison walls gives group leaders broad leverage, facilitated by corruption or intimidation of correctional staff. These failures of prison governance are not

[136] Engel et al. 2020.
[137] Bayer and Pozen 2005; Dippel and Poyker 2023; Eidelson 2024; Galinato and Rohla 2020; Mukherjee 2021.

outliers. They have occurred across Mexico, Brazil, Colombia, El Salvador, and other countries in the region.

We then propose several solutions. First, we recommend better targeting of those who go to prison. Reducing or eliminating incarceration for lower-risk individuals can lessen overcrowding and disrupt the recruitment pipeline. Electronic monitoring shows promise as an alternative sanction that keeps nonviolent offenders out of prison, protects public safety through surveillance, reduces the scope for prison gangs to induct new members, and saves fiscal resources. Pretrial detention deserves particular attention, as it often leads to the incarceration of individuals who do not pose a public safety risk. Streamlined judicial processes can curtail the overuse of pretrial detention and thereby reduce overcrowding. Several studies document that when certain individuals avoid traditional confinement, their propensity to return to crime decreases, which indicates substantial prison-based peer effects. A shift away from mass incarceration, especially for low-level drug offenses or minor property crimes, would match limited correctional capacity to the most dangerous offenders and free up resources for improved oversight.

Second, we advocate resource-intensive but necessary reforms that build new prisons only if authorities commit to strict inmate classification, robust training for correctional personnel, and transparent oversight of daily operations. We see potential gains from smaller dormitory settings and single-occupant cells, both of which limit a gang's ability to dominate large communal spaces. These measures will not fully eradicate corruption, overcrowding, and violence, but they can reduce the scope for criminal organizations to co-opt officials and institutionalize parallel governance within prisons.

Third, we recommend evidence-based resocialization. Instead of treating prisons as holding pens, officials can implement vocational training, educational initiatives, and programs that foster family connections. These interventions help inmates prepare for lawful work after release and reduce the social isolation that often drives repeat offending. In particular, cognitive behavioral programs show promising evidence of successful reductions in violence and gang activities. We also highlight the importance of post-release support, including targeted cash transfers and public employment programs that ease economic pressures and weaken the lure of gangs that promise immediate income. Many individuals who exit prison face stigma, restricted job opportunities, and limited social capital, all of which foster recidivism. Psychosocial interventions can address mental health challenges, addiction, and family reintegration issues, which makes it harder for prison-based gangs to reassert control over former inmates.

Fourth, we encourage stricter measures to curtail communication between imprisoned leaders and their street-based associates. Technology to block unauthorized cell phone calls, combined with efforts on interrupting smuggling routes, can raise the costs of coordinating large-scale criminal operations from behind bars. These tactics should prioritize isolating highly influential leaders who run illicit enterprises even while confined. In some instances, extradition to more secure facilities may disrupt existing criminal networks, although evidence suggests that new leaders may emerge unless the core structural weaknesses are addressed, or that criminal groups can expand territorial control as a result of their leaders' transfers.

Finally, we discuss the role of private prisons, which some authorities promote as a solution to overcrowding and inefficiency. Properly structured contracts that tie compensation to low recidivism and reduced prison violence can yield positive outcomes. However, misaligned incentives may

encourage private operators to cut corners. In a region where organized crime has taken de facto control of many correctional facilities, policymakers must ensure that any privatization decision properly internalizes these potential risks. The goal is to reduce the burden on the public sector in managing facilities while ensuring that inmate welfare and public safety remain priorities.

Our study identifies prisons in LAC as settings where organized crime thrives instead of being deterred. Broad reforms, which focus on better targeting of prison sentences, more humane and orderly prison environments, evidence-based resocialization, post-release support, and technology-oriented restrictions on illicit communications, have the potential to weaken the nexus between prisons and organized crime. Future research should measure how these interventions affect recidivism, internal prison violence, and criminal governance outside prison walls. We remain optimistic that policy innovations, when combined with political will and improved institutional capacity, can gradually transform prisons from hubs of crime to facilities that fulfill their intended functions.

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