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07 OF DRUGS, TORTILLAS, AND REAL ESTATE

ON THE TANGIBLE AND INTANGIBLE BENEFITS
OF DRUG DEALING IN NICARAGUA

As Steven Levitt and Stephen Dubner (2005: 103) famously highlighted in their popular book *Freakonomics*, numerous myths and misconceptions exist concerning the benefits of drug dealing. In the chapter drolly titled “Why Do Drug Dealers Still Live with Their Moms?” for example, they described how, contrary to what is generally thought, the overwhelming majority of those involved in the drug trade in the US earn “less than the minimum wage,” with only drug gang leaders receiving anything in the way of substantial material returns. This is not necessarily the case everywhere, however—see Rodgers (2017b)—partly because the profits of drug trafficking do not occur solely at the end point of the commodity chain that the endeavor constitutes, but all along it. At the same time, there is no doubt that the benefits of drug dealing can often be unevenly distributed, highly contingent, and volatile, and that different accumulation regimes exist along the drug commodity chain writ large. Certainly, the nature of the drug trade in Colombia, where it is produced—and as described by Idler in this volume—is quite different from that at other points along the trafficking route to North America—as the contrasting chapters in this volume by Bobea and Veesser on the one hand, and Le Cour Grandmaison on the other, highlight well.

Having said this, as the volume editors point out in their introduction, such localized political economies of drug trafficking have mainly been discussed either in relation to the broader policy and institutional regimes within which the drug trade operates, or else through a narrow focus on what might be termed the tangible, material benefits of the movement

and sale of drugs, that is to say, the financial wealth that drugs can generate (or not), and the way that this is (conspicuously) spent and invested (or not). Economic accumulation involves more than just physical capital, however; there are also more intangible advantages associated with the drug trade, including in particular the way that drug dealing and trafficking can generate nonmaterial forms of economic value.

More specifically, the drug trade can impart particular knowledges and skill sets to those involved that can potentially have further-ranging economic consequences than more tangible, material returns, partly because they are less prone to being eroded or dissipating due to their intangible nature, but also because they clearly have the potential to influence non-drug-related forms of accumulation and exchange. This obviously raises critical questions regarding both the sustainability of drug dealing and trafficking and their long-term advantages that are generally not taken into account, at least partly due to the generically negative connotations associated with the drug trade that are well reflected in the opening anecdote of the editors' introduction to this volume. Indeed, most analyses of the long-term consequences of drug dealing and trafficking have focused on normative questions of power (see, for example, Varese 2001; Volkov 2002; Glenny 2009) or morality (see, for example, Karandinos et al. 2014; Rodgers 2015), rather than how they might instrumentally shape the underlying nature of other forms of economic exchange or determine non-drug-related accumulation regimes.

Drawing on Pierre Bourdieu's (1986) deconstruction of the notion of capital in order to characterize its forms beyond the material, this chapter explores how the more intangible benefits generated by the drug trade can impact on non-drug-related exchanges and accumulation in ways that are potentially more meaningful than their more tangible equivalents (see also Le Cour Grandmaison, this volume). More specifically, it builds on Bourdieu's distinction between "embodied" and "objectified" capital in order to explain the contrasting trajectories of Bismarck and Milton, two former drug dealers in Barrio Luis Fanor Hernández,¹ a poor neighborhood in Managua, the capital city of Nicaragua, where I have been carrying out longitudinal ethnographic research since 1996. While Bismarck initially seemed to have successfully drawn on capital accumulated through drug dealing in order to build a real estate business, its objectified nature meant that his post-dealing economic activities were highly vulnerable to changing circumstances. By contrast, Milton's use of embodied capital in developing a tortilla business meant that his new accumulation strategy was much more sustainable. At the same time, however, Bismarck's and Milton's stories

also highlight how it is not just the difference between the underlying natures of the benefits of drug dealing that is important to take into account, but also the nature of the field of activity to which they are “transferred,” and more specifically, their moral underpinnings.

VARIETIES OF CAPITAL AND CAPITAL ACCUMULATION

In his classic article “The Forms of Capital,” Pierre Bourdieu (1986) distinguishes between three different types of capital—economic, social, and cultural—but also three different forms that these can take: “embodied,” “objectified,” and “institutionalized.” The notion of economic capital refers to material resources (that is to say, money, physical assets, or property), that of social capital to resources linked to an individual’s social relations, while the idea of cultural capital refers to an individual’s knowledge and skills acquired through education and social status. Different types of capital are accumulated by social agents in different “social fields,” but Bourdieu argues that it is the form of the capital that determines the impact and the consequences of its accumulation, especially over the long term, and this in relation to all three types of capital. Embodied forms of capital are skills and knowledge acquired through socialization, objectified capital refers to material goods and property, while institutionalized capital is related to the broader formal recognition of different types of capital as well as the process of capital accumulation itself. A perhaps simpler way of thinking about the differences between embodied, objectified, and institutionalized capital is in terms of their materiality, with embodied capital being intangible, objectified capital tangible, and institutionalized capital about contextual recognition.

In the case of economic capital—which is the type most relevant to this discussion on the benefits of drug dealing—Bourdieu (1986) argues that it can either take the form of embodied capital, that is, particular practices and ways of being that enable or enhance capital accumulation; objectified capital, that is to say the monetary profits or commodities bought with the latter; or, finally, become institutionalized capital, for example, in the form of property rights. Although economists frequently consider different forms of capital to be interchangeable, Bourdieu argues that this is not the case, stressing that different forms of capital can underpin capital accumulation differently. In particular, he contends that long-term economic accumulation is based on the institutionalization of capital. As the work of other social scientists such as North and Weingast (1989), Acemoglu, Johnson, and Robinson (2001), or Angeles (2011), for example, highlights well, this certainly

seems to be the case, but that is not to say that the differing natures of embodied and objectified capital cannot also have potentially important consequences for the sustainability of economic accumulation. Certainly, this is an issue that has implicitly come to the fore in some of the critiques of Thomas Piketty's (2014) magisterial *Capital in the Twenty-First Century*, most notably by Savage (2014) and Friedman et al. (2015). The latter highlight how the former not only focuses almost exclusively on the role played by economic capital accumulation in the generation of persistent inequality—ignoring the critical importance of cultural capital, for example—but also limits himself to considering only objectified forms of capital (in particular, conflating capital with wealth). As a result, Piketty's analysis of global and historical inequality trends is arguably rather deterministic, based on a limited and one-sided model of the dynamics of capitalism (Pettifor and Tily 2014).

This problem is something that becomes evident when we consider the varying trajectories of former drug dealers in the Managua neighborhood of Barrio Luis Fanor Hernández. As I have described in more detail elsewhere (Rodgers 2018), drug dealing was one of the few economic activities that allowed for significant capital accumulation in the neighborhood, and while there were significant differences between different categories of drug dealers—for example, between street dealers and wholesalers—within categories, individuals tended to accrue comparable amounts of wealth. Their post-drug dealing trajectories display significant variation, however, even within categories. To a certain extent this was due to the personal choices of individuals, but the variation can also be linked to the form of accumulated economic capital deployed in different post-drug dealing economic activities, and more specifically whether they drew on embodied or objectified capital, as the contrasting trajectories of Bismarck and Milton demonstrate very well. Before considering these in detail, the next section offers a brief overview of the rise and fall of the Barrio Luis Fanor Hernández drug trade, in order to provide some context to the lives of these two individuals.

THE RISE AND FALL OF THE BARRIO LUIS FANOR HERNÁNDEZ COCAINE ECONOMY

Although drugs were by no means unknown in Barrio Luis Fanor Hernández prior to 1999, cocaine was extremely rare, and those who consumed drugs mainly smoked marijuana, sniffed glue, or drank boiled *floripón* (a flower native to Nicaragua that has hallucinogenic properties when ingested).² The latter were all sourced locally on a very artisanal basis, and,

perhaps not surprisingly, the neighborhood cocaine trade initially also developed in an informal, ad hoc manner, around a single individual known as *el Indio Viejo* (the Old Indian). He had been a member of the first postwar local gang in the early 1990s, and after leaving the gang had started growing marijuana with his brother on communal land near their house in the barrio, selling the crop mainly to a regular clientele of local gang members, but also to a small number of individuals from outside the neighborhood. Although he himself had lived in Barrio Luis Fanor Hernández all his life, *el Indio Viejo*'s family was originally from the Caribbean coast of Nicaragua, and in 1999, a fisherman cousin from Bluefields, knowing of his involvement in the marijuana business, sent him a bale of cocaine (or *langosta blanca*—"white lobster") that he had picked up at sea, presumably thrown overboard by drug traffickers as they had sought to avoid arrest after being intercepted by the US or Nicaraguan navy, and asked him to sell it for him. Through one of his non-neighborhood clients, *el Indio Viejo* sold the cocaine to a drug dealer in another neighborhood,³ and in doing so realized that the profit margins on cocaine were much higher than on marijuana.

He consequently immediately set about actively organizing his Caribbean networks of family and friends to send him any bales of cocaine they might find, initially offering to sell them for a commission but rapidly simply buying them directly. He soon found out that he had to sell most of the cocaine in the form of crack—known in Nicaragua as *la piedra*, or "the rock"—due to local market conditions. Crack is made by boiling cocaine (cocaine hydrochloride) and sodium bicarbonate in water, and is much less expensive than cocaine, being obviously diluted and far less pure, to the extent that it is widely known as "the poor man's cocaine," meaning that it was affordable in the generally impoverished context of Barrio Luis Fanor Hernández. Making crack is, however, quite labor intensive, and *el Indio Viejo* decided to recruit collaborators in order to share the workload, and the Barrio Luis Fanor Hernández drug economy became a three-tiered pyramid as a result. At the apex was *el Indio Viejo*—also known as the "narco"—who brought the cocaine into the neighborhood and mainly wholesaled it, principally, but not exclusively, to half a dozen *púsheres* in the neighborhood. *Púsheres* "cooked" the cocaine they bought from the narco into crack, which they then sold from their houses—*expedios*—to a regular clientele that included *muleros*, the bottom rung of the drug dealing pyramid. *Muleros* sold crack in small doses to all comers on barrio street corners, generally in the form of *paquetes* containing two "fixes," known as *tuquitos*.

In total, then, by 2002 the Barrio Luis Fanor Hernández drug economy directly involved twenty-nine individuals: one narco, nine púsheres, and nineteen muleros. The narco, púsheres, and muleros were all from the barrio, and were, moreover, all gang members or ex-gang members. The narco and púsheres, however, also often hired non-gang members—generally members of their household—to help them out, but a large number of barrio inhabitants were also indirectly involved in the drug economy by acting as *bodegueros*, stashing drugs in their houses for the narco or for púsheres in exchange of payment, generally between fifteen and seventy dollars, depending on the quantity and the length of time they had to be stored. This constituted a substantial sum of money in a context where the monthly median wage was around a hundred dollars, but paled in comparison to the sums earned by those more directly involved in the drug trade, which emerged as the single most significant form of local economic capital accumulation in Barrio Luis Fanor Hernández. As I have described in more detail elsewhere (Rodgers 2006, 2007a, 2007b, 2016, 2017a, 2018), in 2002, local neighborhood muleros made between US\$350 and US\$600 per month from their drug dealing, while púsheres made between US\$1,050 and US\$2,400 per month (depending on whether they bought one or two kilos of cocaine from el Indio Viejo). I have no direct information about the narco's income, although this was clearly much higher. He owned two houses in Barrio Luis Fanor Hernández—one of which had two stories, something that was relatively rare and a sign of conspicuous affluence in earthquake-prone Managua—two motorbikes, and a fleet of ten cars, eight of which were taxis.

The financial benefits of the drug trade also trickled beyond the “narco-bourgeoisie” of those directly involved, as these shared their bounty with extended family, to the extent that about 40 percent of households in Barrio Luis Fanor Hernández could be observed to be visibly better off as a result of drug dealing compared to surrounding non-drug-dealing neighborhoods. At the same time, however, as many studies have highlighted, drug dealing is as much about status generation as it is about income (see, for example, Bourgois 1995; Contreras 2013; Baird 2015; Zellers-León, this volume), and all those involved in the Barrio Luis Fanor Hernández drug trade were also engaged in various forms of “conspicuous consumption,” including wearing ostentatious jewelry, buying brand-name clothes, drinking imported alcohol, or shopping in supermarkets rather than the local market. This accumulation of objectified capital was particularly striking at an infrastructural level, as drug dealers materially transformed their homes from the drab wooden shacks that were the characteristic neighborhood

dwellings into ostentatious, gaudily painted brick houses with extravagant fittings—in one case, real crystal chandeliers!—and filled with exotic furniture such as rococo full-length Louis XIV mirrors, handmade hardwood chairs and sofas, as well as luxurious home appliances such as wide-screen televisions, mega-wattage sound systems, and Nintendo game consoles.

The political economy of the narcotics trade in Barrio Luis Fanor Hernández began to change from 2003 onward, however, as *el Indio Viejo* sought to professionalize his operations. On the one hand, this was due to most of the current gang members he'd recruited to be street dealers—and who also provided a ready-made security apparatus for the drug economy—having become crack addicts and therefore being increasingly unreliable. On the other hand, the ad hoc nature of his supply meant that it was not always dependable, something that obviously impacted negatively on dealing. Through his Caribbean coast networks, he consequently developed links with a Colombian drug cartel—the Norte del Valle Cartel, according to two former *púsheres* whom I interviewed in 2007—that was moving drugs from Colombia to Nicaragua in order to ensure a more regular, less contingent supply of cocaine, and also began to be more selective in his choice of associates as a result. By 2006, *el Indio Viejo* was leading a rather shadowy, tight-knit group that was locally referred to as the *cartelito*, or “little cartel,” and was highly feared, partly because it was something of an unknown quantity, since it involved individuals from outside the neighborhood, although Barrio Luis Fanor Hernández remained their main dealing territory.

Although *el Indio Viejo* continued to supply some local pushers—who effectively became members of the *cartelito*—he cut others off, and actively discouraging the latter from attempting to pursue any drug dealing activities by dramatically killing a pusher after he attempted to secure an alternative source of cocaine for himself. During this period, members of the *cartelito* also increasingly clashed with the local Barrio Luis Fanor Hernández gang, muscling them out of the street drug trade by generally intimidating and sometimes shooting randomly at any gang members they saw hanging around in the streets. After a few months of enduring such acts, the Barrio Luis Fanor Hernández gang decided to retaliate and attacked *el Indio Viejo*'s house one evening in mid-2006, which led to a shootout between the gang and members of the *cartelito*, during which a gang member called Charola was badly wounded. The other gang members fled, leaving him behind, and a member of the *cartelito* called Mayuyu went up to Charola and killed him, shooting him in the head, execution style, “as a

warning to the others,” as he put it during an interview a few years later (see Rodgers 2015 for more details).

Following this event, the Barrio Luis Fanor Hernández gang effectively ceased to exist and local drug dealing was fully and exclusively controlled by the cartelito. On the basis of exchanges that I had with former drug dealers—as well as one member of the cartelito—during a visit in 2007, it was clear that the number of people involved in the drugs trade in Barrio Luis Fanor Hernández had shrunk, and also that the material benefits of the trade consequently no longer trickled down into the non-drug-dealing population as much as previously, despite 2006–7 being by all accounts the high point of drug dealing in the neighborhood in terms of volume.⁴ From late 2007 onward, however, the Barrio Luis Fanor Hernández cartelito began to reduce its involvement in local drug dealing activities and refocused on drug trafficking—that is, moving drugs across Nicaragua—instead. The initial impulse for this was *el Indio Viejo* being arrested and deciding this had been linked to the visibility of drug dealing in the barrio.⁵ At the same time, though, *el Indio Viejo* had increasingly come to realize that the profit margins of drug trafficking were much higher than those associated with drug dealing, and so while in prison, he institutionalized his existing Colombian cartel links, brokering an agreement to become their exclusive “man in Nicaragua,” so to speak, and the Barrio Luis Fanor Hernández cartelito began to take charge of transporting regular shipments of cocaine from the Caribbean coast of the country to the Honduran border.

This further reduced the number of people benefiting from the drug trade in Barrio Luis Fanor Hernández as the cartelito’s operations became increasingly spread across the country, and there was less need for local *bodegueros* and other indirect workers. Members were rarely seen, however, even after *el Indio Viejo* was released from prison in 2010, although Barrio Luis Fanor Hernández was the theater of frequent acts of unpredictable and extreme violence, largely related to the increasing monopolization of the narcotics trade in Nicaragua that took place during this period, whereby rival cartelitos fought each other for control over drug trafficking routes and shipment rights. Although at the height of its success, the Barrio Luis Fanor Hernández cartelito by all accounts became one of the four most important native drug trafficking organizations in Nicaragua, in 2011 *el Indio Viejo* was arrested again, along with most other members of the cartelito, reportedly at the behest of a rival cartelito that had developed close links to certain members of the Nicaraguan government.⁶ Although what remained of the Barrio Luis Fanor Hernández cartelito subsequently

reorganized in a much-reduced manner around el Indio Viejo's former number two, another ex-gang member from the first postwar generation known as "Pac-Man" (due to his voracious appetite), they constituted little more than a loose group of local dealers sharing the benefits of economies of scale, and by 2014 had effectively dissipated as an organized concern.

Four individuals subsequently continued to operate in Barrio Luis Fanor Hernández as low-level street dealers, buying their drugs from bigger dealers in other neighborhoods. One of these was Pac-Man's daughter, another was a former pusher from the early 2000s who had subsequently integrated the cartelito, and the other two had been muleros in the early 2000s. All principally sold crack, although it should be noted that the neighborhood drug market had by then shrunk substantially compared to the past. This was partly related to the fact that when the Barrio Luis Fanor Hernández cartelito moved from dealing to trafficking in the late 2000s, they not only reduced the local supply of crack dramatically, but also cracked down (so to speak) on local addicts in order to avoid drawing police attention to the neighborhood. By November 2016, marijuana had in fact supplanted crack cocaine as the main drug being sold in Barrio Luis Fanor Hernández, and there were only two local dealers left—one of the former muleros died, while Pac-Man's daughter left the neighborhood—although a growing number of local delinquent youth were dealing in an "amateur" manner (see Kessler 2004), that is to say, selling sporadically on an occasional basis, generally motivated by immediate financial desires, although it should be noted that these tended to remain modest (i.e., needing to buy a new pair of shoes or a formal shirt for a birthday party, for example).

THE BENEFITS OF DRUG DEALING: CONTRASTING PERSPECTIVES

Many individuals in Barrio Luis Fanor Hernández have benefited materially from the drug trade over the course of the past two decades, whether directly as dealers, or indirectly, employed as helpers or bodegueros, or as extended family members benefiting from the largesse of drug dealers. The particular evolutionary arc of the Barrio Luis Fanor Hernández drug trade, however, raises the question of what happens after a drug "boom," once the drug trade has changed or moved on. Or, put another way, what happens to drug dealers when they become unemployed? Do they benefit from having been drug dealers, or is this a drawback? In a recent article, I explore the different economic trajectories of former drug dealers, identifying three typical pathways: "downsizing," "destitution," and "diversification" (Rodgers 2018).

The first involved reverting to a non-drug-dealing—or in other words, a more modest—lifestyle. This was well summarized by a drug dealer called Espinaca during an interview in November 2016, when he responded to my queries about his visible impoverishment compared to a few years before with a rather philosophical “*cuando hay, hay, y se tiene que disfrutar, y cuando no hay, no hay, y se tiene que aguantar*” (when you have money, you’ve got to enjoy it, and when you don’t, you’ve just got to make do).

Downsizing more often than not involved the lowest rung of drug dealing, the *muleros*, as they rarely accumulated much in the way of economic capital. This was not the case for *púsheres*, however, and the latter two pathways, destitution and diversification, represented two different ways in which these made use of the material benefits that they accumulated during drug dealing, or in other words, what they did with the monetary capital that their drug dealing had generated. Those who ended up destitute did so because they tried unsustainably to maintain the conspicuous consumption habits that they had developed when drug dealing, despite no longer having a consequent revenue stream. They would rapidly run out of money, and then pawn off the luxury furniture, electronic appliances, and motorbikes they had bought when dealing drugs, ironically often in order to buy and consume the drugs to which they had become addicted during their dealing. Those who diversified, on the other hand, invested the economic capital that they accumulated while drug dealing in new businesses, including in particular real estate. A case in point in this respect is Bismarck, who was a pusher-level drug dealer in Barrio Luis Fanor Hernández between 2000 and 2006. Bismarck regularly saved a significant proportion of his drug dealing profits, and when he stopped dealing drugs in 2006—partly at my urging—he invested his accumulated economic capital in real estate, becoming something of a “slum lord” in Barrio Luis Fanor Hernández. He started off by buying a shop at the local market in 2006 (which he subsequently sold in 2010), and rapidly expanded his property portfolio, buying a local *pulpería* (corner store) in Barrio Luis Fanor Hernández in 2007, setting up a motorcycle mechanic’s workshop in 2008, as well as purchasing three adjacent houses in the neighborhood, which he had joined together and converted into flop-house rental accommodations in 2009. In addition, drawing on the profits of his real estate empire, he bought four more houses in the neighborhood between 2010 and 2014, which he rented out.

Bismarck’s real estate investments ensured him a monthly revenue of around US\$600, equivalent to a little more than 50 percent of what he’d earned per month when drug dealing, but about four times the monthly

median wage within Nicaragua's formal economy, according to official Nicaraguan Central Bank statistics.⁷ By November 2016, however, Bismarck had lost all of his property portfolio except for his own home. This downfall began when one of his houses was commandeered by the Barrio Luis Fanor Hernández cartelito in 2011, and then confiscated by police when the cartelito fell. Subsequently, another two houses were taken over by two inter-related families who banded together to beat Bismarck up when he tried to collect rent, and he has since then considered them "lost." Bismarck also sold one of his houses in 2014 to pay off debts linked to having a gastric bypass operation, and his motorcycle workshop was closed down by the police after he stopped paying local officers a regular bribe that he had been paying them since his drug dealing days, thinking that these were sufficiently far in the past that they would not be able to do anything to him. Bismarck's flophouse was burned down by ex-military staying there who did not take well to being threatened by Bismarck when they failed to pay their rent, and finally, his pulpería closed because of a lack of cash flow, which meant that he could not stock it properly, and his regular clientele deserted him as a result. Since the middle of 2016, Bismarck has worked as a personal chauffeur for the director of a Taiwanese clothing company operating in one of Managua's free trade zones, earning US\$180 a month, about 15 percent of what he earned a month as a drug dealer.

Bismarck's trajectory highlights the highly volatile and unpredictable nature of economic accumulation based on the tangible, objectified capital benefits of drug dealing, that is to say, the material advantages that the activity procures, whether in the form of accumulated financial resources or its investment in real estate. Although initially very successful, Bismarck's investments were vulnerable to broader contextual factors that he could not control, with their objectified form meaning that they could be confiscated, destroyed, or sold off in order to respond to noneconomic imperatives (in this case, a gastric bypass operation). Because it was ultimately based on having invested objectified capital in the form of savings in an alternative form of objectified capital (property), losing this property fundamentally undermined his real estate business, and he was unable to reestablish it. At the same time, however, drug dealing can also impart a variety of more intangible benefits in the form of embodied capital, which is arguably less susceptible to the unpredictability of tangible forms of objectified capital. This is something that is well highlighted by the experience of Milton, who was also a drug dealer in Barrio Luis Fanor Hernández between 2010 and 2011. Contrary to Bismarck, Milton did not save much money while dealing

drugs, preferring to spend conspicuously. After he ceased his involvement in the drug trade, however, he drew on the more intangible advantages of his experience dealing drugs in order to set up what became a very successful tortilla-making business. What follows is a combination of extracts from two interviews, one conducted in 2012 and the other in 2016, where he explains this:

I spent seven years in Costa Rica, first in Alajuela, then in San José, and finally in Liberia. I went *mojado* [illegally], through San Carlos. It's easy, that place is puro coyotes,⁸ it's like a market. There's a place there where you can talk to different coyotes, ask around, and negotiate a price. It's cheap, not like going to the US, you only pay 200, 300, 500 córdobas per person, depending on whether the coyote likes you or not. When he's got a good-sized group, you then cross the river and he takes you through the forest to a road where buses come by, and you just hop on. Costa Rica is *pura vida*, that's what they say there. It's more developed than here, and there are lots of jobs, so you can work, not like here, where there's nothing. I worked in all sorts of things, construction, a packing factory, I even picked coffee! I earned good money, US\$120 a week, and I was able to save up US\$5,000 during my seven years there. . . . I would have saved more, but I drank a lot then, and drinking really sucks you dry. . . . I've now given it up, though—I haven't drunk anything since November! And US\$5,000 is still a lot of money, and you can really do things with that amount of money here in Nicaragua! When I came back in 2004, I first used some of it to buy some land in a new barrio, and built a house there, which I then rented out, but there were too many complications, so I sold it all after only a few months. Luckily, I didn't lose anything, and I used my money to set up a *pulpería* [corner store] in my home here in the barrio.

The problem, though, is that a *pulpería* is a dead-end business, you can't expand, there's already lots of *pulperías* here in the barrio, and people go to the same one all the time, and don't like changing. It doesn't make you any money, so after a few years, I got into drug dealing, which was the thing to do then. Because I was a member of the first barrio gang, you know, one of the two young ones, with Bismarck, I went to see *el Indio Viejo*, you know, *el narco*, who had been in the first gang too, and I asked him whether he'd let me sell. Although the *cartelito* had taken out the gang by then, because they were always high and couldn't be trusted, and they wanted to stop sales in the barrio, *el Indio Viejo* was my friend, and he trusted me, so he was okay with selling me some cocaine every month so that I could cook it into crack

to sell, so long as I wasn't obvious about it, because they didn't want to attract attention. I told him that I wouldn't sell on the streets but would only sell to regular clients and that I would deliver drugs to them directly, whenever they wanted it instead of having them come to the barrio. He said that was fine, and so for a year I sold drugs, which was pretty good money. I had a good number of clients, who would text me whenever they wanted some crack, which I'd then deliver to them on my bicycle. But then the cartelito got taken out, and el Indio Viejo was imprisoned, so I didn't have a supplier anymore, and I decided to start a tortilla-making business instead.

Why a tortilla-making business, you ask? Well, my mum was a *tortillera*, but she was getting old and wanted to give it up, so I told her, why don't you let me take over? You see, I had an idea about how to make tortillas differently. Tortillas are great, everybody likes tortillas, but they're only really good if they're fresh, so I thought that what would be really good business would be to make them and distribute them as soon as they're made. . . . Normally tortilleras make a whole bunch of tortillas early in the morning and then distribute them afterward, so you get them cold. Sometimes they'll do another batch in the afternoon, but it's the same thing; unless you live next door to the tortillera you'll always get cold tortillas. So I thought to myself, why don't I do like I did with drugs, get people to text me when they want tortillas, and I'd then make them and deliver them straight away? So what I did was go around the barrio and the market with some samples, and told people that if they wanted fresh, hot tortillas, they should just text me and I'd have them delivered real fast. At first only a few people did so, but word got around, and pretty quickly I was getting more orders than I could cope with! At first it was just my wife and me doing everything, but I had to hire help, and now I have five people making tortillas for me. The trick is to be able to make them fast, and then deliver them fast. Initially I delivered on a bicycle, but now I've bought a motorcycle, and I'm delivering over three thousand tortillas a day.

Milton's rather remarkable "just-in-time" tortilla delivery business has been extremely successful, and in 2016 provided him with a monthly profit of approximately US\$800, a huge sum in the Nicaraguan context. This success is clearly very much due to Milton having drawn on his drug dealing experience in structuring his new business. In particular, the use of mobile technology and the just-in-time delivery enabled him to gain an edge on existing tortilla sellers, and established the basis for an exceptionally profitable mode of financial capital accumulation within a field that nor-

mally has very low profit margins and also had a very traditional means of operating. As a result, Milton completely dominates the local tortilla market in Barrio Luis Fanor Hernández and its surroundings, including the nearby market.⁹ Milton's success has enabled him to revive the lifestyle that he engaged in while dealing drugs, including in particular engaging in the "infrastructural conspicuous consumption" characteristic of drug dealers in Barrio Luis Fanor Hernández during the 2010s by building a second story on his house, something that was originally only associated with the most successful drug dealers in the neighborhood (see Rodgers 2017a). Although Milton has suffered several robberies since setting up his business, none of these have brought his tortilla-making business to a halt, mainly because its major investment is the embodied capital—the particular skills and knowledge—that he accumulated from his drug dealing rather than any form of objectified capital. Each time the robbers have simply taken as much cash as they could extort from Milton, as well as occasionally some of his consumer goods, but they have not been able to take any of the fixed investments of his business, in the form of the ovens, nor have the robberies prevented Milton from starting his successful business model again, as it is based on an intangible rather than a tangible benefit of his drug dealing.

CONCLUSION

Bismarck and Milton's contrasting trajectories respectively illustrate the potentially different implications of economic capital based on the tangible and intangible benefits of drug dealing. This can be said to effectively correspond to accumulation based on objectified versus embodied forms of economic capital. Milton drew on particular practices that he had learned as a drug dealer in order to structure his tortilla-making business, while Bismarck invested the financial profits from his drug dealing in real estate. Milton's economic accumulation has clearly suffered much less volatility and unpredictability than Bismarck's, and one could interpret this as suggesting that the accumulation based on objectified capital is more uncertain than accumulation based on embodied capital, precisely due to its material or tangible nature. At the same time, however, not all embodied capitals are equivalent. In many ways, Bismarck also drew on embodied capital accumulated during his drug dealing in order to run his property empire in what was, for a time, a very effective manner. In particular, he regularly resorted to violence, frequently beating up rent defaulters, for example, something that most other landlords in Barrio Luis

Fanor Hernández did not do, partly because it is formally illegal, but also because a majority of those renting out individual rooms in Barrio Luis Fanor Hernández are women, and most did not have the same capacity for violence as Bismarck.

His resorting to extreme brutality in a very targeted way in order to ensure prompt rental payments was reminiscent of the way that drug dealers in Barrio Luis Fanor Hernández would never allow their clients to build up large outstanding debts, beating up and intimidating recalcitrant clients in a contextually hyper-violent manner (see Rodgers 2006, 2015). Having said this, it was also arguably the cause of Bismarck's downfall, with the burning down of his flophouse, in particular, unlikely to have occurred had he not beaten up and publicly humiliated some of his ex-military tenants. These tenants would more likely have simply left surreptitiously one night, and he would simply have had to find new tenants, but the moral outrage they felt at having been treated unfairly was what pushed them to take such dramatic action. To this extent, it could be argued that Bismarck's intangible benefits were less useful to him than his material benefits, and the contrasting trajectories of Bismarck and Milton therefore do not just suggest that there are intrinsic differences between the long-term sustainability of economic capital accumulation based on embodied versus objectified forms of capital, but that these also depend on the way that an embodied capital "transfers" from one field of economic activity to another. Bourdieu (1986) argued that "the real logic of the functioning of capital, the conversions from one type to another," was governed "in accordance with a principle which is the equivalent of the principle of the conservation of energy, profits in one area are necessarily paid for by costs in another." This observation, which he made in relation to conversion between capital types, arguably also applies to capital forms, and, seen from this perspective, what Bismarck's and Milton's stories also highlight is how it is not just the difference between the underlying natures of tangible and intangible benefits that are important to consider, but also how particular forms of embodied capital are "transferred" from one type of economic activity to another, with certain intangible benefits from drug dealing clearly less transferrable than others.

The reason for this was clearly linked to the underlying moral framework within which a particular field of economic activity operated. The violence that Bismarck engaged in relative to his rental business was widely considered in Barrio Luis Fanor Hernández to be morally dubious in nature. Due to his physical strength, gang member past, and reputation as

a former drug dealer, he had always had the upper hand over individuals who rented from him, as they generally felt unable to challenge him, but this was not the case for the two interrelated families who “expropriated” him of two of his houses (who had strength in numbers), and even less so of the ex-military tenants of his flophouse, who responded to his threatening them by taking the dramatic action of burning down the flophouse. By contrast, Milton’s transfer of drug-selling practices to his tortilla-making business was deemed socially acceptable because it was not seen to undermine anybody, whether socially, economically, culturally, or morally.

Seen from this perspective, it is clear that while economic capital needs to be disaggregated, and we need to understand the different effects that different forms can have, these also need to be considered in relation to the diverse social, political, cultural, and moral contexts within which they are embedded. In relation to the drug trade, the forms of capital that it generates often operate within particular regulatory frameworks that mean that they do not necessarily always transfer well into other fields of economic activity. At the same time, the drug trade also has the potential to fundamentally reorder social relations, shift political economies, and generate secondary markets, and so the key question for future research is therefore how, why, and when it does so in a way that allows for the emergence of forms of embodied and objectified capital that can promote new and more complex forms of capital accumulation beyond drug dealing—whether economic or otherwise—and under what conditions drugs lead to much more segmented and parochial economic activities. The answer in this regard clearly lies at least partly in relation to the perceived moral legitimacy of capital transfers within new fields of capital accumulation.

NOTES

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- 1 This name is a pseudonym, as are the names of all the individuals mentioned in the chapter.
- 2 This section draws on Rodgers (2018). Due to its proximity to the Colombian island of San Andrés, Nicaragua is geographically a natural transshipment point for drugs moving from South to North America. It was underexploited until the turn of the century because of the patchy nature of its transport infrastructure, including in particular the lack of connection between the Caribbean and

Pacific coasts of the country. In late 1998, however, Nicaragua was devastated by Hurricane Mitch, suffering major infrastructure damage and resource drainage. This negatively affected the (already limited) capabilities of local law enforcement institutions, thereby facilitating the importation of drugs, but at the same time, post-Mitch reconstruction efforts focused largely on rebuilding transport links, including building a road between the Caribbean and Pacific coasts, and generally improving the whole of the country's transport network, which had a knock-on effect of increasing the volume of traffic and making moving drug shipments easier. A sizable proportion of the Western Hemisphere's south–north drug trade has consequently been transiting through Nicaragua since the early 2000s.

- 3 This dealer was interested in the cocaine because, contrary to most other drug dealers in Managua at the time, who mainly sold marijuana, he had a regular clientele of foreigners, mostly NGO workers, who could afford to buy cocaine.
- 4 I based this observation on the fact that on a daily basis there were visibly at least 20–30 percent more individuals coming to buy drugs in Barrio Luis Fanor Hernández in 2007 than in 2002 or 2003.
- 5 In actual fact, it seems to have been bad luck—he was arrested by transport police officers who detained him due to a traffic violation but subsequently discovered significant amounts of drugs in his car.
- 6 The latter subsequently consolidated monopoly control over the country's narcotics trade, to the extent that we can plausibly talk of Nicaragua now being a “narco-state” (see Rocha, Rodgers, and Weegels n.d.).
- 7 See statistics on income from the Nicaraguan Central Bank, http://www.bcn.gov.ni/estadisticas/sector_real/mercado_laboral/3-3Bo6.htm, accessed February 10, 2018.
- 8 A “coyote” is an individual who smuggles migrants across borders, generally in exchange for remuneration.
- 9 Milton has, moreover, adapted to evolving technology, moving on from texting to WhatsApp as cheap smartphones have begun to become more widespread in Nicaragua.

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