Informal Control and Illicit Drug Trade

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ABSTRACT
Antidrug legislation and enforcement are meant to reduce the trade in illegal drugs by increasing their price. Yet the unintended consequence is an increase in informal control—including retaliation, negotiation, avoidance, and toleration—among drug users and dealers. Little existing theory or research has explored the connections between informal control and drug trading. This article uses the rational choice and opportunity perspectives to explore the question: How and why does the frequency and seriousness of popular justice—as a whole or for each form—affect the price and rate of drug sales? The proposed theory is grounded on and illustrated with qualitative data obtained from drug dealers. This article concludes by discussing the scholarly and policy implications.

Introduction
Legislation and law enforcement are the most widely discussed methods of deterring the illegal drug trade (Moskos, 2008; NRC, 2001, 2010). Theory suggests that as penalties are increased, become more certain, or are enforced more quickly, then the size and scope of drug markets should be reduced. This theory is a staple of local, national, and international efforts to control the trade in illicit drugs (MacCoun and Reuter, 2001; Zimring and Hawkins, 1992).

Yet control in the drug underworld is not restricted to formal intervention. To handle and manage conflict, drug market participants exercise informal social control. There are various kinds of “popular justice” (Black, 1998; Cooney, 2009). Illicit drug markets are notorious for retaliation, but other – more peaceful – forms of conflict management also exist therein, including negotiation, avoidance, and toleration (Jacques and Wright, 2008a; Taylor, 2007).

Although drug law and enforcement are meant to reduce the trade in illegal drugs, the unintended consequence is a reduction in formal mediation among drug traders – i.e. buyers and sellers. Whereas law-abiding citizens can make a report to police or file a lawsuit, criminals have fewer formal means of extracting justice from victimizers (e.g., robbers and defrauders) and settling market-based conflicts (e.g., over territory and price). In turn, the absence of formal dispute resolution causes pronounced increases in informal control. Not only does retaliation become more likely (Black, 1998; Goldstein, 1985; Jacobs and Wright, 2006), but so too do less aggressive forms of conflict management (Jacques and Wright, 2008a).

The past quarter century has witnessed an exponential growth in knowledge about the effect of law on drug trade and informal control, especially retaliation. Yet far less is known about how the various forms of informal control affect drug trade. Put differently, there is sparse information on how the price and frequency of drug sales are affected by the rate and seriousness of retaliation, negotiation, avoidance, and toleration used by drug traders. It important to follow this line of inquiry because it may be that the unintended consequence of
prohibiting drug trade – namely increasing informal control – is reducing or increasing the rate of drug trade and increasing or decreasing the price.

This paper aims to use the rationality and opportunity perspectives to explore and theorize the influence of various forms of informal control on the illicit drug trade. We begin by defining and discussing drug trade, formal control of the drug trade, and informal control in the drug trade; in doing so, we briefly review existing theory and research on the connections between these behaviors. After describing the method and data used in the paper – namely qualitative descriptions provided by drug dealers – we examine how each form of informal control affects drug trade. We conclude by discussing the implications of the theory and findings for future work and policy.

**Drug Trade and Social Control**

Criminologists have provided a substantial amount of theory and research on the role of legislation and law enforcement in altering the rate and price of drug sales. In addition, the field has increasingly explored the effect of formal control on its informal counterpart, especially retaliation. After reviewing the work on these connections, we suggest an area of study that is less developed: namely, the effect of informal control on the rate and price of drug sales.

**Drug Trade**

A trade (i.e., sale or deal) is a reciprocal giving and taking of resources between actors. Drugs may be traded for money, objects or services. Drug selling is concerned with trading drugs for resources, and drug buying is concerned with trading resources for drugs. For any given exchange, the quantity of resources given in return for a particular type (e.g., marijuana or cocaine) and quantity (e.g., 1 gram or 1 pound) of drugs is the price. In determining the price for a given sale, the numerator will always reflect the quantity of a drug traded, but the denominator in the equation – the resource(s) traded for a drug – can take various forms. A resource is anything that can be traded for a drug. Resources are conceptually divisible according to whether they are money – a medium of exchange, or an object or service that may be bartered, such as weapons, sex, or drugs (see, e.g., Denton, 2001; Ratner, 1993).

Studies of drug markets typically focus on variability in the rate and price of drug sales. Although there is a degree of stability, these two aspects of drug trade are known to differ according to the type of drug, its purity/strength, and the amount being traded. Variation in the rate and price also depends on such things as the area, time, and characteristics of traders. For instance, 7 grams of high-grade marijuana may cost $85 to $100 in some parts of the United States (Jacques and Wright, 2008a), whereas a gram of low-grade marijuana sells for less than $5 (Sfaneck, 2007). The effect of place-based differences may be seen, for example, when considering the price of small quantities of heroin: the cost may be as little as £5 in England (Lupton et al., 2002), $50 in Australia (Coomber and Maher, 2006), or up to $130 in America (Hoffer, 2006). The era also

**Formal Control of the Drug Trade**

Formal social control refers to any governmental action that defines or responds to deviance (Black, 1976); this is also known as formal justice. It includes every act of the legal system, from legislation, to criminal investigations, to the arrest of suspects, their prosecution in court, the judge or jury’s verdict of guilt, and punishment, which may include obligated community service or treatment, fines, asset forfeiture, probation, imprisonment or even death. Seen in this way, formal justice becomes a quantitative variable. It increases with every additional act of legislation, investigation, arrest, prosecution, or punishment (Cooney, 2009).

As a quantitative variable, it is possible to measure the amount of law that defines and reacts to the drug trade. The different levels of law – both its rate and magnitude – may be measured and compared across times, places, situations, demographic groups (e.g., male vs. female), drug markets (e.g., marijuana vs. cocaine), or roles therein (e.g., dealer vs. user). Over time, for instance, data show that in 2009 there were about 30,000 arrests by the US Drug Enforcement Agency (DEA, 2009), but 10 years prior there were more than 40,000 arrests. Between regions of the United States, the South has almost 350,000 people on probation for drug offenses, which is about five times the number of drug probationers in the West (Glaze and Bonczar, 2009). Or consider how imprisonment varies across the offenders’ role in the market: based on data from a 1997 study, Sevigny and Caulkins (2004) show that most incarcerated drug dealers are mid-level rather than retail-level or “kingpins.”

**The Effect of Formal Control on the Drug Trade**

As already noted, anti-drug legislation and law enforcement are the most pronounced features of local, national, and international approaches for reducing drug trade (NRC, 2001; MacCoun and Reuter, 2001). This approach accepts the premise that reducing drug-related harms entails the costs of law enforcement, such as police and prisons (Zimring and Hawkins, 1992: 7). Rational choice theory and present-day government policies and practices assert that greater, more certain, and quicker arrests, prosecutions, convictions, and formal punishments (e.g., fines and prison) increase the price of drugs and thereby reduce the rate of drug trade (see Bentham, 1988 [1789]).

Longitudinal and cross-national evidence, however, seem to suggest that the validity of this theory, policy, and practice is questionable (Bushway and Reuter, 2011; Caulkins and Reuter, forthcoming). In the USA, the price trends for cocaine, heroin, and marijuana are largely unaffected over time by the level of law enforcement (MacCoun and Reuter, 2001: 31). Between nations, research also shows that the prevalence of drug use is not significantly reduced by criminalization or higher levels of enforcement (MacCoun and Reuter, 1997; Reinarman, Cohen, and Kaal, 2004). At present, the debate continues over whether punitive acts by governments toward drug-involved persons are positive or negative, significant and substantive or not.
Informal Control in the Drug Trade

Informal social control, or popular justice, is conflict management absent the government. Instead, it is performed by “the people”; not politicians or law enforcement officials (Cooney, 2009). Such behavior includes a number of actions (Black, 1998). Toleration is doing nothing about deviance. Avoidance is curtailing interaction with the deviants. Negotiation involves disputants talking out a conflict, whereas informal mediation involves a neutral third party resolving the dispute; both of which sometimes result in compensation. Retaliation is unilateral self-help accomplished through theft, fraud, vandalism, or violence. These forms of informal control may be conceptualized as an ordinal variable: toleration is the least severe form of popular justice; avoidance is more severe, but not as severe as negotiation, which is less severe than retaliation (Cooney, 2009).

Thought of in this way, it is possible to measure the amount of informal control that defines and reacts to deviance in the drug trade, such as victimizations involving fraud (e.g., fake drugs or money), theft (e.g., burglary), violence (e.g., robbery), or market-related disputes (e.g., over territory) that occur against and among drug traders. As is true with drug sales and formal control, the rate and severity of popular justice varies as a whole and between its different forms. In other words, informal control is more common among some situations, people, places, or drug markets than others. Similarly, the different kinds of informal control – such as retaliation or avoidance – also vary in their prevalence and severity. For example, drug markets located in urban, lower-class neighborhoods are known to be rife with violent retaliation (Jacobs and Wright, 2006), but this form of control appears to be less common among suburban drug traders who prefer to handle conflicts through toleration or avoidance (Jacques and Wright, 2008b).

The Effect of Formal Control on Conflict Management among Drug Traders

Broadly speaking, there are two types of conflict among drug traders: victimization and market-related disputes. [1] Victimization-related conflict involves a person committing an offense against another person. Market-related disputes involve two or more people engaged in a conflict over price, territory, or market-share. These conflicts may be managed formally or informally. Formal mediation is when the government intervenes, whereas informal control is when the victim or disputants handle the problem without government help. [2]

A great deal of theory and empirical evidence supports the notion that illicit drug market-related victimizations and conflicts are unlikely to be handled with formal mediation (see, e.g., Goldstein, 1985; Jacques and Wright, 2008a). This is true for at least three reasons related to the formal control -- specifically the illegality -- of such markets. For one, criminals typically do not report their victimization to police for fear of revealing their own offending to the government and subsequently being punished for it. Two, in the underworld fair prices cannot be set or monitored by the government, “[c]ontracts cannot be enforced through written documents and the legal system”, and “[t]erritories cannot be allocated through bidding for desirable locations” (Reuter, 2010: 275). Third, even when drug market conflicts do come to the attention of government agents, they are taken
less seriously by police, prosecuted less forcefully, and punished less harshly (Black, 1976, 1998; Klinger, 1997; Moskos, 2008; Stanko, 1981/2). In short, making a market illegal -- i.e. formally controlling it -- means conflicts related to it are rarely formally mediated.

Because drug market conflicts are unlikely to be handled with government mediation, the role of informal control becomes more pronounced (see Black, 1976, 1983). Although there are several forms of informal control that may be employed to handle such conflicts (Black, 1998; Cooney, 2009; Jacques and Wright, 2008a), the extant research is focused disproportionately on popular justice meted out via retaliation (Goldstein, 1985; Jacobs and Wright, 2008a). Retaliation, or vengeance, is informal control achieved through violence, fraud, theft, or vandalism (see Jacques, 2010). It is rational to the degree that it provides victims with a way to punish and deter offenses. Quantitative and qualitative research clearly shows that retaliation is common and serious among drug traders (see, e.g., Goldstein, 1985; Goldstein et al., 1997; Jacobs, 2000; Levitt and Venkatesh, 2000; Moskos, 2008; Reuter, 2010).

Recent research on informal control in drug markets has increasingly turned its attention to more peaceful approaches such as toleration, avoidance, and negotiation (Jacques and Wright, 2008a; Taylor, 2007). Although qualitatively different from vengeance, these less aggressive types of informal conflict management have benefits for victims seeking justice. Tolerance is useful because it may allow dealers to resume business rather than expend time and energy searching for their victimizer (Topalli, Wright, and Fornango, 2002). Avoidance of prior offenders helps victims insulate themselves from further problems (Denton, 2001). Negotiation may provide a path to compensation (Hoffer, 2006). We see, then, that there are a number of ways in which victims may respond to their drug market-related conflicts.

To summarize, the unintended consequence of criminalizing drugs and enforcing laws against them is an increase in informal control among drug traders due to a reduction in the likelihood of their conflicts being mediated by the government.

**The Effect of Informal Control on the Drug Trade?**

The current state of knowledge about drug markets suggests that more anti-drug legislation and law enforcement have (1) ambiguous effects on the price or rate of drug sales, but (2) almost surely increase the rate and seriousness of informal control, including not only violent retaliation but also less forceful forms. Although theory and research on these two topics are increasingly nuanced, what lags far behind is theoretical or empirical information about the effect of informal control on drug sales. In other words, how, why, and to what degree does the rate and seriousness of popular justice -- as a whole or for each form -- affect the price and rate of drug sales? By determining the effect of informal control on drug trade, we will gain a deeper understanding of formal control’s net effect on the illicit drug trade.

To our knowledge, only three prior studies have explicitly examined this research question (Caulkins, Reuter, and Taylor, 2006; Levitt and Venkatesh, 2000; Topalli, Wright, and Fornango, 2002). This work focuses on
retaliation’s effect on drug trade and says little about the influence of other forms of informal control – negotiation, avoidance, and toleration. Our goal is to examine the effect of each form of informal control on drug trade. Before doing so, however, it is important to describe our orienting paradigms – namely rational choice and opportunity theories – and the data used throughout – qualitative descriptions obtained from drug dealers.

**The Rational Choice and Opportunity Perspectives**

This paper’s theoretical orientation is anchored in two paradigms: rational choice and opportunity (Cornish and Clarke, 1986; Felson, 1998).[4]

**Rational Choice**

The rationality perspective explains any particular action as the outcome of the actor’s decision that its perceived overall utility – meaning the sum of benefits minus the costs – is greatest relative to other actions (Cornish and Clarke, 1986; Jacobs, 2010). As relates to crime and control, they should increase as they become more beneficial or less costly. This calculation involves consideration of alternative lines of action, such as engaging in different crimes, exercising other forms of social control, or refraining from these behaviors.

Bentham (1988 [1789]: 24) thought of benefits and costs as pleasures and pains, which are the two sorts of sanctions.[5] There are four kinds: political, popular, physical, and religious. The two sanctions at the heart of this paper are political and popular. The former refers to pleasures and pains meted out by government officials, whereas the latter comes from persons in the community (p. 25). In other words, political sanctions are formal control; popular sanctions are informal control. Punishments are painful sanctions (p. 26). The death penalty is an example of political punishment, whereas retaliatory murder is an example of a popular punishment.[6] Punishments are a way to reduce the costs to or increase the benefits for the controller/punisher by increasing costs for the person controlled/punished.

To obtain the greatest benefits/pleasures and lowest costs/pains, individuals (e.g., a police officer, drug dealer, or buyer) and groups (e.g., governments or gangs) play a “strategic game” of offending and sanctioning with and against each other (Goffman, 1969, 1974; Schelling, 1960). For instance, people might engage in illegal drug trading to obtain the pleasures of money or intoxication, but – to reduce the potential costs of these behaviors for society – police may arrest, prosecute and fine or imprison these offenders (i.e., apply political punishment). Alternatively, a drug buyer may refrain from paying a drug seller what is owed to obtain the benefit of intoxication without incurring the financial pains, but – to redress this injustice and deter future problems – the victimized dealer may retaliate against, negotiate with, or afterwards avoid the offender (i.e., apply popular punishment). What must always be kept in mind, however, is that punishing others may not be worth the price – i.e., the costs may be greater than the benefits. In such cases, toleration is the more rational response.
In short, the rational choice perspective views offenses and punishments as interactive calculations grounded in the motive of maximizing the overall utility of action. Thus, offenders’ and control agents’ behavior is determined through a decision process whereby the utility of conceivable actions are assessed and then the most beneficial and least costly option is enacted.

**Opportunity**

The key insight of the opportunity perspective is that certain minimal elements are necessary for any given behavior to occur (Cohen and Felson, 1979; Cohen, Kluegel, and Land, 1981: 508-9; Sparks, 1982: 29-30). Put more plainly, even when a person wants to act in a certain way, they may not have the opportunity to do so. As relates to victimization, for example, a robber cannot steal cash from a victim if that person does not have any cash. Or, as relates to social control, a victim cannot retaliate if unable to locate the offender (see Jacobs and Wright, 2006; Jacques, 2010). Thus, crime and control are not constants; they vary across situations – meaning specific times and places – depending on not only the motives of people but also on the opportunities available to them. Situations differ in their ripeness for crime, conflict, and control (Felson and Clarke, 1998).

The opportunity and rationality perspectives are seen as theoretical siblings; without the other, each perspective loses power to make accurate predictions (Felson and Clarke, 1998). The opportunity theory of crime proposed by Cohen and Felson (1979; also see Felson, 1998) suggests that crime requires three minimal elements: a motivated offender; a suitable target; and a capable guardian, or control agent. The more valuable the target or the less capable the control agent, then the more likely is crime to occur because it is more rational.[7]

This paper is focused on the social control of wrongdoers, defined as either victimizers or someone with whom there is a market-based dispute (i.e., a disputant). Therefore, we partially depart from Cohen and Felson’s (1979) idea of targets and guardians. For this paper, targets are both items of value that may be stolen (e.g., drugs, money, or territory) and the wrongdoers that people are seeking to control (e.g., retaliate against, negotiate with, or avoid). The notion of guardians is replaced with the idea of controllers. There are agents of formal (e.g., police) or informal (e.g., retaliators, negotiators, and avoiders) control who engage in deterrence or retribution; control agents may be victims, disputants, or partisans (e.g., friends or family members) who act on their behalf.

In short, targets attract victimization and control, but controllers deter and punish victimization and conflict. Whether various forms of victimization, disputing, or control occur depends on (1) their utility and (2) the opportunity to engage in them.

**Summary and Looking Forward**

To summarize, governmental efforts to control drug markets and academic efforts to understand them have relied heavily on rational choice and opportunity theories of crime and control. They suggest that given the opportunity, people engage in whichever line of action has the most utility. Victimizing, disputing and
controlling have benefits and costs, and require specific minimal elements to occur. In the pages below, we
draw on these theoretical lenses to develop a theory of how rationality and opportunity associated with
informal conflict management techniques – retaliation, negotiation, avoidance, and toleration – affect the price
of drugs and their rate of trade.

Method and Data

Although qualitative data lack numeric and statistical precision, they possess their own unique strengths. In-
depth thick descriptions of behavior and thought processes obtained through open-ended but structured
conversations or observations lend themselves to the discovery and analysis of unexplored paths. In other
words, the value of qualitative data resides in their ability to help build and illustrate new lines of research and
theory (see Laub and Sampson, 2003: 251-2; Shadish, Cook, and Campbell, 2002: 478; King, Keohane, and
Verba, 1994: 46). This is useful to criminology as a whole by providing quantitative researchers with fresh
areas to explore and new hypotheses to test.

This paper is based on interviews with 50 unincarcerated drug dealers. The interviews, which usually lasted
about an hour, were semi-structured to provide consistency in terms of the topics discussed while, at the same
time, allowing for new and previously unconsidered matters to be introduced. The focus of the project centered
on gaining understanding of three distinct but connected issues: onset, continuation, and desistance from drug
dealing; the price drug dealers charge their customers; and, victimizations of, conflict among, and social
control by drug dealers. We asked questions such as: “Why did you start dealing drugs?” “Did you give all
your customers the same price?” “Were you ever robbed and, if so, what did you do about it?”

Twenty-five of the interviews were conducted with lower-class dealers residing in urban neighborhoods of St.
Louis, Missouri. The other subjects are best described as middle-class sellers from the suburbs of Atlanta,
Georgia. At the time of the interview, all participants were currently dealing drugs or had done so within the
previous two years.[8] Data from the St. Louis sellers were collected in 2006; the middle-class dealers were
interviewed in 2004 through 2005.

The St. Louis sample was recruited by a specially trained project fieldworker, who himself is a former
criminal. He worked through chains of street referrals to gain introductions to drug dealers, and built on these
relationships to obtain further contacts. Recruitment is the most challenging aspect of this sort of research, and
so the fieldworker was paid $75 per recruit. The participants were paid $50 for an interview. All of these drug
dealers were African-American, and 6 of the 25 were female. None had graduated from college and only 5 had
ever attended; excluding those who had attended college, 8 graduated from high school. The age of the sample
clustered around 30 years old. Involvement with police and government prosecutors was the norm for this
group, with practically all of them having been arrested in the past. Many of these participants sold crack
cocaine or heroin, a few sold only marijuana; other drugs were also mentioned by some, including ecstasy and
PCP.
Respondents in the suburban Atlanta sample were recruited by the lead author through a straightforward purposive sampling strategy (see Wright et al., 1992). The first 18 of these dealers were known personally and therefore could be approached directly; these individuals received no payment for taking part. The remaining 7 middle-class dealers were recruited through snowball sampling; each was paid $20, as was the person who referred them. All of these participants were white. Each had graduated from high school, a substantial majority of them were in college at the time of the interview, and many have since earned degrees. Criminal arrests were very rare; and criminal convictions almost non-existent. Drugs sold by these dealers included marijuana, ecstasy, cocaine, LSD, hallucinogenic mushrooms, and other substances; none reported selling crack cocaine or heroin.

For both samples, some of the sellers were in business for only 1 month whereas others had sold drugs for years. The sample mostly consists of retail dealers (e.g., persons selling a few grams at a time), with some low-level suppliers – or “middle-men” – also being interviewed (e.g., persons selling a few ounces or pounds at a time).[9] The marketing techniques and customer-base of our participants differed depending on (1) their place in the dealing hierarchy – retail-level or higher; (2) the community in which they sold – suburban or urban; (3) and, their personal preferences based on past experiences. For instance, the urban retail-sellers made greater use of open-air street markets and stranger-customers than did the urban middle-men sellers; the latter group more heavily relied on selling from home and to known associates. On the other hand, none of the suburban retail-level drug dealers advertised their entrepreneurial crime on the streets and they rarely sold to strangers. Instead, their clientele consisted of friends and “friends-of-friends.” They would use phone calls, text messages, and social gatherings (e.g., parties) to arrange sales, which would then take place within homes or inside private vehicles momentarily parked at public places (e.g., grocery stores and gas stations).

As with any self-report study, some participants may have resorted to lying or distortion. To minimize this problem, interviewees were promised confidentially and informed of their rights as a research participant through a consent form read to them at the beginning of the interview. Comments deemed unusual or unfounded were probed to reveal and, if possible, resolve inconsistencies. Despite these efforts, it is possible that some of the participants lied or embellished their accounts.

Data were analyzed manually by reading and simultaneously coding the transcripts. In doing so, the goal was to identify patterns linking informal control and the illicit drug trade in light of the rationality and opportunity perspectives. The section below uses the experiences of drug dealers to explore how and why the various forms of informal control affect the rate and price of drug sales. All names are pseudonyms.

What is the Effect of Informal Control on Drug Trade?

As noted above, formal control of the illicit drug trade is intended to reduce its rate by increasing the price. An unintended consequence of doing so, however, is it increases informal control among traders. This raises the
question: What is the effect of informal control on drug trade? To address this question, we will work from four key theoretical premises grounded in the rationality and opportunity perspectives.

(1) *Rationality affects informal social control.* Exercising control may come with costs to the controller. The kind and size of the cost depends on the nature of the form being considered (e.g., retaliation vs. avoidance) and the amount exercised (e.g., more or less retaliation). However, exercising control may have utility for the controller depending on the degree of retributive benefits and/or deterred conflict. Whether a controller exercises a particular form and amount of informal control is a decision determined by weighing its relative utility against the alternatives. *The form and amount of control enacted should be the one with the perceived greatest overall utility for the controller.*

(2) *Informal social control affects the price and rate of drug trade.* Related to the above is that a controller’s decision to use a particular form and amount of control is affected by its anticipated effect on drug trade. Each form and amount of control may increase or decrease the price or frequency of exchange, which, in turn, entails benefits and costs for the controller. Holding constant other benefits and costs, *the form and amount of control enacted should be the one perceived to maximize the profits of drug trade for the controller.*

(3) *Opportunity affects informal social control.* With the possible exception of toleration, each form of control requires certain minimal elements – or opportunities – to occur. The elements required depend on the nature of the form being considered. *Unless the necessary conditions for a specific form of control converge in time and space, that form of control is not possible.*

(4) *Informal social control affects the opportunity for drug trade.* Each form and amount of informal social control restricts and presents distinct opportunities that inhibit or facilitate drug trade. The kind of opportunities restricted or presented depends on the nature of the form being considered. *The necessary conditions for a specific form of control may facilitate or inhibit drug trade between the controller and the wrongdoer.*

In the pages below, we explore these theoretical possibilities by examining the experiences of drug dealers. The data from our own study will be supplemented with similar data obtained by other researchers; this is done to add empirical variety and theoretical generalizability. We start with the most severe form of popular justice, namely retaliation, and move toward less severe forms: negotiation; avoidance; and toleration.

**The Effect of Retaliation on Drug Trade**

*Retaliation* is conflict management involving aggression, fraud, theft or destruction (Black, 1983). There are at least four kinds of retaliation (Jacques, 2010). Violent retaliation uses threats and aggression, such as robbery or murder. Fraudulent retaliation is vengeance obtained by engaging in unfair trade. Stealth retaliation refers to cases where the wrongdoer’s property is covertly stolen; burglary is an example. And, destructive retaliation is the damaging or destroying of property as “payback”; some cases of vandalism fit this category. These four
types of retaliation differ in the amount of violence involved (by definition, it is none except for cases of violent retaliation) and the amount of resources stolen or damaged.

**Victimization, Retaliation, Rationality, and the Effect on Drug Trade**

The value of retaliation resides in its ability to punish victimizers and prevent subsequent victimization (Topalli, Wright, and Fornango, 2002). In terms of utility, there are two fundamental aspects of this type of informal control: retribution and deterrence. The former is focused on increasing benefits whereas the latter is intended to reduce future costs. Retribution focuses on regaining respect and, in some cases, regaining stolen wealth. Deterrence is largely concerned with avoiding disrespect, injury, and theft.

Prior research demonstrates that an enhanced fear of victimization resulting from recently being victimized may serve as a factor leading criminals to desistance (Decker and Lauritsen, 2002). In effect, dealers learn that the potential pains of drug trade – including anger, injury, and theft – are not outweighed by the pleasures (Jacques and Wright, 2008b: 1027-8). But if retaliation is capable of punishing and deterring further victimization, then termination is not necessary and the pleasure of crime can continue unfettered. For this reason, enacting vengeance may increase traders’ long-term viability and thereby increase the number of trades they engage in over their criminal career. For example, a drug dealer from St. Louis, Stub, noted the long-term consequences of not retaliating:

**Interviewer:** So what did you do [after this happened]?

**Stub:** After that I got out [of the hospital], recuperated and got back out [dealing drugs].

**Interviewer:** What about this guy [that robbed you] though?

**Stub:** He got his….In so many details, he got his, he’s no longer.

**Interviewer:** He’s no longer?

**Stub:** In existence.

When asked why he reacted as he did, this urban dealer explained:

**Stub:** See, you have to realize if I didn’t get back at him you…could say [Stub’s] a punk. Everybody can go take [Stub’s] shit. So if he [gets] hurt, everybody knows who hurt him. They might not know exactly, but they have an idea. See, the thing is, if somebody robbed you and you in the dope game, you don’t want to be robbed first off cause see then…I got the fucking city saying you can rob him. So if you handle your business you ain’t got to even worry about it cause they gonna say that time so-and-so robbed [Stub] and shit, [the robber] came up missing. So that gonna give them the fear right there not to fuck with you…That’s very important if you gonna live that lifestyle. You need to let it be known you ain’t gonna take no shit, you know what I’m saying? Fuck no, you’d be out of business…cause you
would have people, little kids, coming up trying to rob you [thinking] he ain’t gonna do nothing, he’s a punk. (Topalli, Wright, and Fornango, 2002: 342-3)

To the extent retaliation deters the costs of victimization then drug trade may last longer – i.e., occur more often – because its costs are reduced yet the benefits remain the same or are enhanced. The flip-side to this argument is that refraining from retaliation may, in the end, push the drug trader toward the end of that career – “you’d be out of business.”

*Market-Based Disputes, Retaliation, Rationality, and the Effect on Drug Trade*

Retaliation may also have an effect on the price of drugs and, in turn, the rate of trade. Caulkins, Reuter, and Taylor (2006: 1-2) argue that the “nastiest dealers” – meaning the most violent ones – have a continuous cost advantage over their competitors. In effect, being nasty reduces the price of drugs, which earns them more customers and profit in the long run – i.e., a higher rate of sales. In theory, this reduction in price results from the ability “to secure advantageous physical locations from which to base their operations; these locations provide added protection from detection from law enforcement and thus lower costs of operation.” Stated differently, when dealers use violence to obtain the best territory, they reduce the costs of law enforcement and this reduces the price for drugs offered to customers. This notion is based on the standard economic premise that higher business-related risks – such as the likelihood of formal punishment – lead to higher prices. Thus, when a dealer uses violence to successfully secure safer territory from which to sell drugs, the risks of selling are reduced and so the price of drugs should drop accordingly. And because dealers who sell for a lower price should attract more customers, their rate of trade should also increase if they manage to secure a safer area from which to sell. In essence, the argument proposed by Caulkins, Reuter and Taylor (2006) suggests that retaliation may increase the rate of drug trade and reduce the price to the extent it provides dealers with a competitive advantage (also see Levitt and Venkatesh, 2000: 780).

This theory is especially interesting because it adds new insights into the victimization-centered theory proposed by Topalli, Wright, and Fornango (2002). If lower risks for dealers lead to lower prices provided by them, then it stands to reason that when dealers deter victimization via retaliation there should be a similar reduction in price. Retaliators thus may lengthen their involvement in drug dealing by gaining a market advantage from selling at a lower price than competitors who strike back less often or seriously.

*Retaliation, Opportunity, and the Effect on Drug Trade*

Retaliation is affected by opportunity, and the threat and act of retaliation affects the opportunity for drug trade. This involves a set of complex interactions. Consider a string of victimizations reported by a lower-class dealer known as East-Side Pimp:

**Interviewer:** [D]id any of your customers like steal from you...?
**East-Side Pimp:** Oh I got ganked [i.e., stolen from], got ganked by some motherfucker. This dude, motherfucker didn’t have no money. They got food stamps. You know you get the food stamps and they cancel the card on your motherfucking ass and you don’t see them for four or five months and then they return. By that time you got over it and you don’t want to fuck the bastards back. When they come to you they got some money and you’ve forgotten all about what they owe you, so yeah.

**Interviewer:** So is this some person in particular that does this to you?

**East-Side Pimp:** Yeah, a lot of motherfuckers that have done that to me with the food stamps, that’s how they get you. They got the card,... and you get the card and it’s got so and so amount of money on it, and they get home and cancel the fucker and then they get another card and they do another motherfucker like that. And then when they do it to you, you don’t see them.

**Interviewer:** So have you ever done anything in retaliation to that? Like have you ever been threatened anyone or fucked anyone up?

**East-Side Pimp:** There’s one broad [i.e., female] and I was aware of this ’cause I really needed it at the time, so I was pissed. She was dirty to me and I ran up on her ass in my apartment, just to snipe shit out of her motherfucking ass, but that was it.

**Interviewer:** What do you mean, “snipe the shit out of her”?

**East-Side Pimp:** I gave her 225 dollars’ worth of fucking pain, fucking me out of those food stamps. I just smacked the shit out of her... And I felt better....

**Interviewer:** Do you still sell to her?

**East-Side Pimp:** Yeah. This shit is a motherfucker.

**Interviewer:** So she came back to you to buy from you and all that?

**East-Side Pimp:** But I won’t fuck with her on a food stamp level, but yeah she got the money then I’ll deal with her. And of course I cheat her.

**Interviewer:** How do you do that?...

**East-Side Pimp:** I give her less than what she pays for.

This account offers a few noteworthy insights. The opening lines demonstrate that retaliation is not always possible. Even though East-Side Pimp wanted to get even with the food stamp defrauders, this could not be done because they stayed away from him for “four or five months.” These wrongdoers reduced the probability
of retaliation against them by reducing one of the minimal elements required to strike back: contact between them and the dealer.

So by controlling the opportunity for retaliation, these wrongdoers were reducing the possibility of vengeance. But in doing so, they also were restricting the rate of drug sales that could occur. Put plainly: retaliation takes interaction, but so too does drug trade. When interaction is avoided as a way of managing retaliation, this inherently requires drug trade to be avoided as well – at least until the dealer has “forgotten all about” what is owed. We see, then, that while retaliation may decrease the price of sales and increase the frequency of trade (Caulkins, Reuter, and Taylor, 2006; Topalli, Wright, and Fornango, 2002), it may also have the inadvertent effect of scaring away customers and thereby reducing trade (see Levitt and Venkatesh, 2000: 758, 777). The chance of being punished for wrongdoing by an aggressive trader or getting caught in the crossfire of a market-based dispute is a risk that some people are unwilling to take.

The account also makes it evident that retaliation can be accomplished through fraud instead of violence (Jacques, 2010). To a degree, the female food stamp defrauder was probably deterred from cheating East-Side Pimp again after he punished her with violence. The retributive satisfaction is clear when he says “I felt better” afterwards. Nevertheless, East-Side Pimp continued to retaliate by ripping off the defrauder in later sales; a bit of tit-for-tat. As relates to the focus of this paper, this retributive defrauding is interesting; in effect it raises the price of drugs because the customer is “give[n] less than what she pays for.” In essence, then, the price of drugs has been increased as an act of retaliation – which added to the dealer’s profits. This experience shows that retribution is especially beneficial when the pay-back involves stealing the wrongdoer’s resources, which occurs in cases of retaliatory fraud, robbery and theft.

In regard to opportunity theory, the very nature of fraudulent retaliation requires the wrongdoer and controller to engage in trade and to have agreed on terms of exchange (Jacques, 2010). Had the victimizer avoided East-Side Pimp – or at least curtailed future trades with him – then fraudulent retaliation could not have occurred.

At the same time, this discussion of retaliation leads to another opportunity- and rationality-based implication for drug trade. Retaliation takes time and effort, which are costs to the retaliator. This is especially true in cases of delayed, deferred, or calculated retaliation in which the offender must be identified, tracked down, or lured into a vulnerable situation (see Jacobs and Wright, 2006). Those who prey on drug dealers know this and employ a variety of techniques to manage the threat of retaliation, all of which have the effect of increasing the effort required to strike back at them (see Jacobs, Topalli, and Wright, 2000). Drug dealers who seek vengeance, therefore, do so at the cost of reduced drug sales, at least in the short term.[10]

The factors outlined above suggest that – for reasons related to rationality and opportunity – handling conflict with retaliation may decrease the rate of exchange. Fraudulent retaliation is perhaps an exception to this, as a minimal element for it is continued trade between the wrongdoer and controller; however the higher price paid by the wrongdoer may eventually lead this person away from engaging in trade with the retaliator.
Summary
Informal control premised on lex talionis aims both to reduce costs and to increase benefits. Punishing and deterring victimization or rivals is a way to reduce the costs of conflict in the long-run, and, in turn, increase benefits not only through continued trade, but also by gaining market advantage and greater profits. An added benefit from retaliation is obtained when the vengeance involves taking the wealth of the wrongdoer via violence (e.g., robbery), fraud, or stealth (e.g., burglary). For any particular seller, however, retaliation may backfire if scaring away potential victimizers and disputants comes at the cost of deterring potential trade partners. In addition, what must always be kept in mind is that retaliation takes time and thereby reduces opportunity for selling, except for fraudulent retaliation which, by its very nature, requires trade to occur and results in higher costs for the wrongdoer as part of the punishment.

The Effect of Negotiation on Drug Trade
Not all drug market disputes are managed through retaliation. Some disputants “talk out” the problem among themselves. Negotiation is management of conflict through a joint decision by the offender and victim (Black, 1998: 83). This form of popular justice is measurable by the degree of convergence between disputants’ ideas about what is right and wrong – including how to solve the dispute and move forward.

Negotiated conflict resolution may involve compensation, meaning the payment of wealth such as money or drugs, to right a wrong (Cooney, 2009). “Compensatory social control involves the payment of a debt from offender to their victims…. Offenders are obligated to compensate victims for damage or other harm that they have suffered. Once restitution has been provided, the matter is settled” (Horwitz, 1990: 47).

Victimization, Negotiation, and the Effect on Drug Trade
Negotiation is beneficial to controllers to the extent it results in compensation from victimizers, who may perceive it as rational to pay up to avoid the costs of retaliation or to maintain a beneficial business relationship. A middle-class dealer, William, offended his supplier by failing to pay him for some drugs. The resulting conflict illustrates the effects of rationality and opportunity on negotiation. Although compensation has monetary benefits, obtaining them may require interaction between the victim and offender and continued drug trade – which itself increases the profits of negotiation.

Interviewer: Did you ever get threatened while you were dealing?
William: No... One time when I first started dealing..., I bought a 20 pack [of ecstasy] and I had sold it for a decent amount of money. And we [– my friend and I –] went out, and I figured I still had ten left to sell and that would make my money back and I could still pay him back, so we went out and blew the money, you know, and I still had these ten. Well, me and my friends went back to his house, me and three friends, me and my three friends. We went back there and we took off the next day. [The supplier had] fronted it to me ’cause I wanted to get on my feet and I was like, [but I had to call him and say,] “I
haven’t got the money, you’ll have to front me some more to get it.” And I thought he was going to beat the hell out of me. This is the guy I got the rolls from.

Interviewer: What did he say to you?

William: He was like, “Oh you need some more, let’s sit down and talk about this.” And I’m like, “Holy Shit!” I thought he was going to beat the fuck out of me. It would have been an even fight,… [but] I want to get stuff from him again so I’m gonna have to let him win! I mean I need him! So I went back to him and sat down and he was like, “All right”, ’cause he knew I ate them too, “I don’t want you to sell anything less than 20 dollars, here’s a ten pack.”

Interviewer: What do you mean?...

William: No rolls for less than 20. Let’s see, I had bought the 20 pack for $280… So he was like, “Here is a ten pack and I don’t want you to sell any less than $20, and I want at least 200 dollars.”

Interviewer: So did you sell them for more?

William: I had to sell them for more than 200 dollars… [He said,] “I want you to come back with more than $200. I’ll give you a price break since you’re getting back up. So I’ll give them to you for $12 apiece, so I had $120 dollars worth of product and I had to come back with 200 so I’d knocked out 80 of my debt. And I came back two hours later with like 240 so I’d knocked out 120 dollars of my debt, 160 to go. I did the same thing again and made it up to 160 bucks and that’s when he bumped up my price back to $15. He had done the 12 dollars apiece to help me out.

William’s account demonstrates that rationality influences negotiation. Related to this is the fact that negotiation affects the benefits of drug trade, which is affected by its price and rate of occurrence. His conflict is somewhat complex in terms of how it was resolved, but it might be best summarized as follows: This dealer was fronted drugs but was not able to repay the debt when the time came. He knew he was in trouble with his supplier, and even suspected the guy “was going to beat the fuck out of” him. Rather than retaliate, however, the supplier negotiated an agreement with William. The original debt was $280 (for 20 ecstasy pills priced at $14 each). To help William get “back up”, the supplier gave him “a price break” by lowering the price per pill to $12. (Whether this is truly a price break is questionable because the supplier told William to “come back with more than $200” ($20 per pill sold) – which is more profit per pill for the supplier than originally required. [11])

This business arrangement effectively allowed William to “knock…out 80 of [his] debt” and, as well, for the supplier to obtain the money he was owed. William did what was required and, in time, fully repaid his debt. After William’s bad credit had been made good, he and his supplier began a more mutually beneficial partnership by continuing business with each other. In the short-run, William’s punishment involved paying a
higher price for ecstasy and making less profit. Although not discussed in the quote above, William and this supplier did continue to do business with each other for many more months – this was a long-term benefit of negotiation for both of the disputants. The supplier had someone to sell to and profit from, and William had a supplier to front him drugs that he could then turn into profit by selling them to users. Also, the supplier obtained short-term benefits from negotiation by gaining compensation for the delayed payment.

It is obvious that William was intent on remaining in this business relationship and willing to do almost anything to make restitution. He was even willing to lose a fight, saying: “I want to get stuff from him again so I’m gonna have to let him win! I mean I need him!” William had made a rational decision: he was willing to endure the pain of violence because he believed it was outweighed by the pleasures of profits from continued drug selling. We see, then, that the negotiation surrounding William’s dispute had several effects on the price and rate of drug trade: in the short-run, the controller (the supplier) increased the price per pill paid by the defrauder (William), and in the long-run, both were allowed to continue or perhaps even increase their rate of drug trade.

This example of drug market conflict also sheds light on how opportunity shapes informal social control and drug trade. Negotiation requires being together and talking things out. Upon learning that William did not have his money, the supplier said “let’s sit down and talk about this.” The supplier could have ignored the infraction or ended the relationship, but instead decided that the best way to proceed was to maintain contact and keep the lines of communication open. Similarly, William could have avoided the supplier, either out of fear of being beaten or out of disregard for his debt. In the end, however, both of them decided to “sit down and talk…things out.”

Their negotiated agreement, moreover, required them to continue drug trade with each other and, for William, with customers. In other words, fulfilling their joint agreement on how to resolve the dispute made it necessary for the supplier to front ecstasy to William, for him to sell drugs to people, and for William to pay back the supplier. The nature of negotiation, at least in this case, is that drug trade was an absolutely essential minimal element of exercising control and settling the conflict.

**Market-Based Disputes, Negotiation, and the Effect on Drug Trade**

Market-based disputes are handled with negotiation as well. Consider the case below, which again involves William, the same middle-class dealer who did not pay back his ecstasy supplier on time and was forced to pay compensation. This conflict was with a separate supplier in the business of pharmaceuticals. William deemed this person a wrongdoer for not adequately dividing up the stock for sale. For this reason, he negotiated a compromise with the supplier:

William: I had a dispute with one of my suppliers because the guy I got the Valiums from, I had got rid of about 5,000 in two days for him, and the next shipment came in at 10,000 and he gave me 5,000 and somebody else 5,000. I said “He’s gonna take a week and a half to two weeks to do it, so at least give me
2500 out of his.” He was like, “No, he’ll do that 5,000 in about three days.” I was like, “Come on, I need some and the next shipment doesn’t come in for two weeks.” I’m like “I need some now.” And so he went to this guy, call him Johnny. He went to Johnny and asked how many he had left and Johnny had about 3500, and he was like, “Well I want 17.” He said, “17 of them?” He said, “No, 1700.” He said, “Why?” He said “’Cause the other guy’s already sold his 5,000.”…So he gave him the 1,700, and that was what pissed me off was that he wouldn’t get them all.

In this example, the likely result of negotiation is the facilitation of illicit pharmaceutical sales, with the more successful dealer receiving additional stock from one who could not move the product as quickly. This negotiation benefited William by allowing him to increase his trade.

**Summary**

In sum, negotiation is a form of conflict management focused on benefits. Benefits may come from compensation or from continued drug trade between controller and wrongdoer. When people are motivated to maintain their business ties, then negotiation is especially likely.[12] Like retaliation, however, negotiation requires time and effort, which may reduce the opportunity for trading with other persons.

**The Effect of Avoidance on Drug Trade**

Disputants are not always able or willing to negotiate or retaliate. Avoidance is popular justice involving the “curtailment of interaction with a person whose behavior is offensive” (Baumgartner, 1988: 11; Black, 1998: 79-83). Avoidance is measurable in time and pervasiveness. It can be everlasting or momentary, and can encompass only one aspect of social interaction or all parts of life (Jacques and Wright, 2008a).

Avoidance is rational because it reduces the opportunity for victimization and market-based disputes. Curtailing interaction clearly is an effective way of minimizing conflict. For better or worse, however, the nature of this form of control inhibits drug trade between the controller and wrongdoer or that person’s associates (in cases where collective avoidance is being exercised). Whether avoidance occurs, then, depends on if the perceived pain associated with potential future victimization (or disputes) outweighs the perceived pleasures of drug trade.

**Market-Based Disputes, Avoidance, and the Effect on Drug Trade**

Avoidance is a strategy for resolving market-based disputes, such as those over prices and territory. Consider the case of lower class dealer $50-Holler, who cut off customers who were unable to pay the going price for drugs. For $50-Holler, an added benefit of avoidance – or really a reduced cost – was that it allowed him to refrain from retaliation:

**$50-Holler:** I had to cut off these three customers last week. One dude got mad ’cause I told him that I ain’t messing him with no more, ain’t dealing with him no more.
Interviewer: And why did you do that?

$50-Holler: ’Cause he came back and said he was short. He never had all the money but he wanted the product so I told him I’m cutting him short. “Go find someone else to get your shit from. I can’t deal with your shit no more.” He’s like, “Come on man, please.” But I’m like, “No man, get the fuck off. If you don’t then I’m gonna beat your ass.” …

I had to turn a woman away. She offered me sex for it. I told her I don’t want sex, I want money. She’s like, “Please, I’ll let you fuck me. I’ll let you fuck my daughter.” I said, “You let me fuck your daughter? Your daughter’s 10 years old!” That really turned me off man. I told her, “I can’t do that. If you don’t go then I’ll hurt you.”

Sometimes people will use avoidance to prevent the escalation or continuation of disputes and to reduce the potential for retaliatory victimization. An interesting example of this comes from Smooth, a lower-class dealer.

Interviewer: Have you ever had any problems with other dealers like when they get on your turf or they try to get you out of their space or anything like that?...

Smooth: It only happened to me one time when I first started off in the neighborhood. I was really young and sometimes I had more crack than a grownup had and they’d get mad and say, “Look at that!” They’d see me making some money and they’d be like, “You can’t sell, you ain’t from around here”, all that bullshit. Then I’d have to just lie low and go somewhere else or just do what I gotta do to get my money. Just hop in the car and ride, go downtown somewhere to sell it.

In this market-based conflict, Smooth had at least two conceivable courses of action: benefit from continuing to sell in the disputed territory but run the risk of being retaliated against for doing so; or, give in to the demands of his competitors, reduce his rate of trade in that territory, and set up shop somewhere else. Rather than fight a turf battle, Smooth reacted to this dispute through flight. In doing so, he saved himself and others from potential violence.

Victimization, Avoidance, and the Effect on Drug Trade

Avoidance is also used to handle conflicts springing from victimization. As noted above, a cost of avoidance is that it reduces the opportunity for trade and the pleasures associated with it. Yet for this same reason, avoidance is a rational strategy for deterring victimization and for managing potential problems. Hoffer’s (2006: 76) study of heroin sellers provides an example:

I noticed that Kurt [a seller] forgave lots of the money he could have insisted on collecting [from indebted customers]. Why? Extending credit and forgiving debts were reinforcements Kurt used for customers who were honest with him. Kurt immediately collected debts in full from customers who disrespected his rules. The ultimate punishment was not violence, but cutting the customer off so that
they would no longer be able to buy heroin from Kurt. Enforcing the rules was easy for Kurt: all the customers knew the rules and how each rule related to the network’s protection and safety. Breaking them was the customer’s fault, and if they were cut off by Kurt, this action was justified.

It is evident from this example that avoidance is a conflict management strategy that deters victimization, albeit at the cost of reduced drug trade.

Avoidance is used not only to deter victimization, but also to handle transgressions that have already occurred. Many drug-dealing networks rely on “weak ties” (Granovetter, 1973) to bring drug-involved persons willing to make a transaction into contact with one another. Such ties often are precarious. Christopher, a middle-class drug dealer interviewed for our study, discussed his reaction to being swindled in a fraudulent trade: “A few days after the jacking, I felt like something had gotten around and now I was somebody that people could take advantage of. So, pretty much, at that point I stopped dealing with anybody in that crew [of people associated with the predator]. I don’t remember dealing with anybody [again] who I thought would be part of them.” In effect, being victimized in a fraudulent trade caused Christopher to avoid not only the offender, but also all of his known or presumed associates, eliminating an unknown number of “could-have-been” future trades in the process. This response had the dual effect of lowering the chance of victimization and the frequency of drug trade.

Summary

In short, avoidance is rational in that it reduces the costs of conflict, but, in doing so, it inhibits the opportunity for drug trade. Thus, avoidance’s emphasis is on minimizing costs rather than maximizing benefits. A caveat here is that – unlike retaliation and negotiation – avoidance typically takes little or no time and effort and this may increase the rate of trade. In addition, avoidance may actually reduce the price of drug sales by reducing the conflict costs of selling.[13]

The Effect of Toleration on Drug Trade

Social control – formal or informal – is not an inevitable result of deviance. A ubiquitous alternative is toleration, defined as the absence of social control where it might otherwise have existed. “Although arguably not a form of conflict management at all, toleration is sometimes consciously advocated or adopted as the most effective response to deviant behavior, disagreement, or disruption” (Black, 1998: 88). Toleration is a quantitative variable “measurable by comparing what might otherwise occur under the same circumstances” (Black, 1998: 88).

Toleration may seem counter-intuitive given the typical perception of drug markets as contexts rife with retaliation (Jacobs, 1999, 2000; Jacobs and Wright, 2006). Yet in practice, toleration seems to be widespread in such markets. For instance, May and Hough (2001: 150) concluded that drug debtors often expect toleration from unpaid creditors: “In most cases there was an element of trust between buyer and seller – buyers could
rely on the quality and size of their deal, and just under three quarters … received credit from their dealer. For those who received credit, three-quarters believed that nothing would happen if they could not repay the debt” (our emphasis).

**Toleration, Rationality and the Effect on Drug Trade**

Toleration is valuable to disputants because it maintains the *status quo*. Toleration takes no time or effort, nor is it illegal. Therefore, disputants may prefer to do nothing rather than exercise more costly forms of informal control. Tolering a grievance may allow for the reparation of formerly beneficial partnerships and thereby facilitate drug trade. There is a hint of this in a story told by Shot Caller, a lower-class dealer, who had grown weary of being retaliated against by a supplier he had offended:

**Shot Caller:** I don’t even lie, I disappeared all fucked up [when I got fronted one time and didn’t pay it back]. You know [the supplier] was calling me and I wasn’t answering the phone. Finally at the same spot where I met him, in the club, we bumped heads so he got his two little bodyguards onto me. They keep guns... I’m like, “Ah, here I go”, but he said to me, “You spend too much money with me to be fucking with me like that, everything was so damn good, so what do you think I should do to you?” “Me? Shit!” So he gave me another chance, so I mean we laughed over it, got drunk over it. I was still sweating and nervous ’cause, “You a killer, you play it off, like it’s all good.” You know, I could be walking about that club and BOOM! You know he’s bad as a doughnut, but he let me go ’cause I [bought] hundreds of pounds with him through the years. Fifteen years is a long time to be dealing with one person.

Drug traders will sometimes refrain from retaliation and other forms of popular justice for fear of subsequent retaliation, which may entail the cost of injury or theft. This is especially true for victimizers perceived to be unstable as a result of their drug problems. A middle-class seller, Dave, describes this chain-of-events:

**Dave:** I went over to an apartment complex, and he was with me and I dropped him off at the apartment complex where he knew about 5 or 6 other people who lived in that area, and as soon as he went up into the stairs he just didn’t come out for like 30 minutes, and you just kinda figure it out—he’s not coming back… I knew that there were other people that he knew that lived in the apartment complex that I didn’t know, but it just kinda sucks because I thought I knew him, he always treated me nice in high school, he’d always invite us to parties and shit, he was kid that was like a couple years older than us that was always cool. [Eventually] I talked to him up where I go to college. He just told me a bunch of crap like he was on a bunch of hardcore drugs, he just needed the money. It’s gonna be tuff getting it from him because he doesn’t have that money.

**Interviewer:** How much money was that?

**Dave:** $1000. He’d probably rather die than give me that money…. He’s just a psycho case who does was too much crack [cocaine] and stuff like that, so it just wasn’t worth it.
As noted earlier, a reputation for retaliation may deter potential trade partners. After all, who would want to do business with a vengeance-prone dealer? Tolerant persons are the best to do business with for the very reason that they are unlikely to apply control. A dealer interviewed by Topalli, Wright, and Fornango (2002: 348) said it best: “that shit’s bad for business” (cf. Paoli, Greenfield, and Reuter, 2009: 207).

There is clearly a rational component to toleration and this raises the question: How great are the benefits of retaliation, negotiation, and avoidance? The seriousness of the dispute has a part to play in determining the best course of action. As Smooth, a lower-class dealer, explained:

**Smooth:** Last time I gave credit I gave it to a dude, he wasn’t one of my friends, he was an associate. He asked me if he could hold a sack, I let him hold it and I never got my money back.

**Interviewer:** Like how much worth?

**Smooth:** I don’t know, a 1.2 – a gram and 2 tenths.

**Interviewer:** And you never saw it back?

**Smooth:** No.

**Interviewer:** Did you ever see him again?

**Smooth:** No.

**Interviewer:** Did you go looking for him?

**Smooth:** No.

**Interviewer:** No, you didn’t care?

**Smooth:** No, $10 ain’t gonna matter.

**Toleration, Opportunity, and the Effect on Drug Trade**

Toleration is less costly than retaliation or negotiation because the time and effort costs are nil. Yet unlike avoidance, the benefit of toleration is that it does not reduce the opportunity for trade. Although toleration may be a sign of weakness and susceptibility to predation, it does allow the buying and selling of drugs to continue. Drug traders realize this and often tolerate victimization as a result. In their study of drug market robbery and retaliation, Topalli, Wright, and Fornango (2002: 346) found the following:

A number of drug dealer/victims indicated that, in the absence of direct retaliation, the only way to recover from a robbery was simply to go back out and resume selling. For example, one seller who had been robbed three times by his own customers, stated, ‘I can always get $50. I just said fuck it. I said I ain’t tripping off
that… I’m gonna make that back anyway.’ These individuals not only were unwilling to suffer the potentially serious consequences of retaliating (i.e., counter-retaliation or arrest and incarceration), they also considered retaliation an inefficient use of time better spent hustling.

Victimizers seem to be aware that toleration is – at least for some drug traders and in some situations – a more rational response than applying social control. A study of drug robbers concluded that many of them did not worry about retaliation, believing that dealers are more concerned about making money than they are about getting back at the person who robbed them: “Time spent seeking retaliation can be better spent making money, and for many [dealers who are robbed], the opportunity cost of lost sales may be too high to justify the effort. As Blackwell put it, ‘I don’t think I’m... gonna get retaliated back on by them [drug dealers] cause they want to go back on the corner and sell drugs’” (Jacobs, Topalli, and Wright, 2000: 178).

**Summary**

At the heart of toleration is a willingness to proceed with life as is or return to what it was. Ironically, toleration suggests that doing nothing affects drug trade. If we hold constant the possibility that toleration invites conflict, it appears that this form of informal control increases drug trade for reasons related to rationality and opportunity: it allows former business partnerships to continue; it does not scare away and might even attract trade partners; it does not take any time or effort. What is more, toleration eliminates costs to controllers that may come from retaliation by wrongdoers who were themselves retaliated against, avoided by, or made to pay compensation. As regards price, because tolerating is the absence of action, the best guess is that it has no influence on price other than to maintain it at the present level; however, it may indirectly alter drug trade by inviting victimization or reducing counter-retaliation.

**Discussion and Conclusion**

It is commonly accepted that criminalizing a market reduces access to law among sellers and buyers and thereby encourages informal responses to victimization and market-based disputes (Black, 1976, 1983; Jacobs and Wright, 2006; Reuter, 2010). If that is true, we hypothesize that formal control affects drug markets via an indirect effect on informal control. Taken together, the data presented above demonstrate that the different forms of informal control – retaliation, negotiation, avoidance and toleration – all may affect the rate and price of drug trade in various ways. These effects are the product of both rationality and opportunity: (1) the form and amount of control enacted should be the one with the perceived greatest overall utility for the controller, which is determined in part by the effect on subsequent drug trade; and, what must be kept in mind is that (2) the available options for control may be limited because each form requires minimal elements to occur and may require or inhibit drug trade between the controller and the wrongdoer.

Although this theory is seemingly straightforward, in reality the effect of informal control – as a whole or for each form – on drug trade is complex. Retaliation has the most complex effect on drug trade. On the one hand, it has retributive and deterrent effects; retribution allows the controller to obtain respect or take the
wrongdoer’s wealth. Deterrence prevents future victimization and disputes and, in doing so, may increase the number of trades made over the course of a criminal career and reduce the price. On the other hand, a reputation for retaliation may conceivably scare away traders or take time away from making sales, which would reduce the rate of trade. Negotiated compensation has short-term costs for wrongdoers and benefits for controllers, but this type of informal control may benefit both parties in the long-run by allowing trade to continue; like retaliation, however, time and effort spent on negotiation may reduce the opportunity for and, in turn, the amount of drug trade. Avoidance necessarily reduces trade between the controller and wrongdoer, but – unlike retaliation and negotiation – may provide more time to trade with persons not being controlled; it is also plausible that avoidance reduces the price of drugs by lowering the probability of conflict and the costs associated with it. The nature of toleration suggests it should increase the rate of trade and either decrease the price or have no effect on it because it requires no time, effort, or minimal elements to occur; yet it might alter drug trade by inviting victimization or preventing counter-retaliation.

**Limitations and Future Directions**

This paper has moved the field toward a theory of how and why informal control affects drug trade. Still, this line of inquiry is in its infancy; future theoretical development and research should aim to explore the full range of theoretical possibilities mediating the relationship between informal control and drug trade. For instance, it is plausible that their relationship is affected by alternative causal influences, such as social structure or social learning (see, e.g., Cooney, 2009; Topalli, 2005). Or, there may be other influential aspects of rationality and opportunity that were not considered in this paper.[14]

A separate but related point is that the sample on which this paper is based – and on which the theory is empirically grounded – is not representative of drug markets across all contexts: times, places, individuals, and communities. A suitable theory for one context may lose or gain explanatory power in another context.[15] How and why might informal control have a different affect across different kinds of samples, such as non-American drug traders? Who are “kingpins”, smugglers, or growers/manufacturers? Experiencing different levels of effective illegality? Operating in monopolistic markets rather than competitive ones? (See, e.g., Paoli, Greenfield, and Reuter, 2009)

Additional qualitative work along these lines would be useful, but we strongly encourage quantitative testing to determine the validity, power, and generality of theories across and within contexts. To our knowledge, the information needed for such tests is sparse. One possibility is to compare trends in and correlations between law enforcement, drug market-related homicides, and the price of drugs; all of these data are made available by the U.S. government. A limitation of this approach would be disentangling predatory from retaliatory homicides. Plus, such data reveal little or nothing about how the more peaceful forms of social control affect drug trade; counts of negotiation, avoidance, and toleration are far more difficult to come by. As a field, we need to collect quantitative information on drug trade and each form of informal control in order to determine their relationships and come to statistical conclusions. Ultimately, quantitative research is the only way to
acquire a confident sense (statistically speaking) of whether, how, why, and to what degree informal control affects drug trade.

**Policy Implications**

The theoretical and empirical endeavor proposed above is important for reasons that extend beyond academia. Legislation and law enforcement are widely-used tools to control drug markets (NRC, 2001; Zimring and Hawkins, 1992). Unfortunately, these efforts appear to have little effect on the price of drugs or amounts sold (MacCoun and Reuter, 2001). Perhaps even worse, what drug law *does* appear to do is deny drug market participants access to formal means of dispute resolution and thereby encourage participation in popular justice (Moskos, 2008).

Although these patterns are increasingly being recognized, practically no research has explored their interconnectedness (but see Caulkins, Reuter, and Taylor, 2006; Levitt and Venkatesh, 2000; Topalli, Wright, and Fornango, 2002). We simply do not know how, why, and to what degree the various forms of informal control affect the size and scope of the illicit drug trade. Perhaps informal control significantly and substantially increases drug trade by reducing the price. Or maybe the opposite is true. Or maybe there is no effect at all. Or maybe it depends on the form of informal control and the context under consideration. Understanding such matters is crucial to the formulation of a rational and effective drug control policy. For this reason we urge future research to develop this line of inquiry further, which will shed light on how the unintended consequence of drug law – a rise in popular justice – may be causing the intended or opposite effect – be it a net reduction or a net increase in drug trade.

**References**


National Research Council (NRC). 2010. *Understanding the Demand for Illegal Drugs*. Committee on Understanding and Controlling the Demand for Illegal Drugs. Peter Reuter, editor. Committee on Law and


**Notes**

[1] A third kind of conflict of relevance to illicit drug markets is between drug traders and the government, its representatives, or people helping it such as informants (Reuter, 2010). This paper will leave aside this kind of conflict because the focus here is on (1) informal control (2) among drug traders. However, there is an interesting body of literature on how informal control affects conflict between criminals and the government, such as violence against or avoidance of “snitches” (see, e.g., Jacobs, 1999; Reuter, 2010; Rosenfeld et al., 2003).

[2] Although formal mediation and formal control are largely one in the same (Black, 1976, 1998), using different terms helps to clarify our arguments (see Jacques and Wright, 2010). We use “formal control” when referring to law enforcement measures aimed at reducing drug trade (e.g., arrest for drug possession), but use “formal mediation” when discussing government intervention in conflicts between drug traders (e.g., arrest of a person who robbed a drug dealer).

[3] These studies will not be described in detail here but, instead, will be reviewed and expanded upon throughout the remainder of this paper.

[4] There are two main reasons why these perspectives are good starting points for theoretical development of this mostly unexplored area. For one, they are at the forefront of governmental efforts to reduce drug trade and use (NRC, 2001, 2010). “Political sanctions” such as arrest, prosecution, and imprisonment are threats and acts used by governments to punish and deter crime by making it less rational in the mind of offenders (Bentham, 1988 [1789]). Another way governments attempt to reduce drug trade is by depleting the opportunity for it. This involves such things as disrupting communication between traders and improving place management (Eck, 1995). We reason that because the rationality and opportunity perspectives are already employed by the government, findings nested within these frameworks on how informal control affects drug price and trade will
be more readily drawn upon for deducing practical efforts to shrink drug markets. The effectiveness of such efforts can, in turn, be tested with quantitative research.

In a related vein, the rational and opportunity approaches are the most predominant theories used by academics to explain and research the rate, magnitude, and effects of and connections between drug trade and law (NRC, 2001, 2010; Decker and Chapman, 2008; Jacobs, 1999, 2010). Moreover, the only previous works known to us on how informal control affects drug trade are based on the rational choice and opportunity perspectives (Caulkins, Reuter, and Taylor, 2006; Levitt and Venkateh, 2000; Topalli, Wright, and Fornango, 2002). Thus, using these perspectives means that the ideas proposed in this paper are building on, adding to, and stretching existing scholarly understanding of drug markets and social control – including what affects them and the consequences that come from them. Related to this, these perspectives orient us toward testable explanations of why and how informal control may affect drug price and the rate of trade.

[5] Although sanction nowadays typically is thought of as another word for cost, Bentham had a different sense of the term. In Latin, sanctio is the act of binding. For Bentham (1988 [1789]: 25, fn1), sanctions are both the pleasures and pains that bind, or motivate, people to act in certain ways.

[6] Punishments differ in their intensity (e.g., punch vs. shot to the arm), duration (e.g., a minute vs. an hour long torture), certainty (e.g., one vs. one-hundred percent), remoteness (e.g., a day vs. a year away), fecundity (i.e., chance of being followed by further pain), purity (i.e., chance of not being followed by pleasure), and extent (i.e., number of other persons affected) (Bentham, 1988 [1789]: 30-1).

[7] Targets attract more victimization, disputes, and control as they increase in value, portability, visibility, and accessibility (Cohen and Felson, 1979). Victimizations and disputes are better controlled as controllers increase in visibility, availability, supervision, and intervention (Reynald, 2009).

[8] In this regard, it is practically a 50-50 split.

[9] For information on the different levels of the drug dealing hierarchy, see Sevigny and Caulkins (2004).

[10] An exception is fraudulent retaliation

[11] If we combine the prices for the original 20 pills he failed to pay for with the 10 pills he was fronted to help him repay his debt, the total price is $480 for 30 pills, which equals $16 per pill. Thus, we can see that in the long run, William did pay more per pill because of his wrongdoing than he would have had he paid for the original 20 in a timely manner.

[12] We might suspect, therefore, that for drug market victimizations committed by strangers or involving violence or unseen theft may be unlikely to be successfully resolved with negotiation.
Related to this, it is possible that a seller’s restriction of customer’s access increases the price by reducing supply available to that person, yet also reduces the price by taking away some of the demand; also, a customer’s refusal to buy from a seller reduces demand and so reduces the price for other customers, yet also reduces the supply available to the aggrieved customer and thereby may increase the price. Thus, the overall effect here is probably close to null.

In this vein, the theory provided by Caulkins, Reuter, and Taylor (2006) suggests that not engaging in retaliation but rather negotiation, avoidance or toleration may indirectly (1) reduce the rate of drug trade to the extent that it does not provide traders with long-term viability; and (2) decrease the rate of drug trade and increases the price to the extent that it removes dealers’ competitive advantage. In other words, less violent dealers may sell for shorter time periods or at higher prices. Future work should explicitly explore how each form of informal control directly affects the others (e.g., does retaliation beget retaliation?) and the indirect effect on drug trade that may result.

A further line of research would investigate how other illicit markets, such as those for sex or firearms, are affected by informal control, and whether there are differences in this regard across legal contexts.