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We Deliver: The gentrification of drug markets on Manhattan's Lower East Side

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Final Report

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ABSTRACT

This 2-year ethnographic study documents and analyzes changes in the social and technical organization of drug markets on Manhattan's Lower East Side from March 1999 to March 2001. Among the major findings to be discussed are 1) the virtual disappearance of street sales, 2) the growth of delivery and delivery services, 3) the growing importance of "secondary markets," 4) the increasing class fragmentation of drug markets, and 5) a discussion of dealing as labor, including the different meanings of dealing and motivations to do so that characterize the distributors in the sample. The research also examines the declining incidence and importance of violence and non-drug crime in drug markets and an assessment of the relative impacts on drug markets of law enforcement activities, demographic shifts, and land-use changes.

EXECUTIVE SUMMARY

This study uses ethnographic methods and techniques to examine the 2-year evolution of the variety of illegal retail drug markets on Manhattan's Lower East Side. The study examines the structure, functioning, and interactions between existing and emergent drug markets from January 1999 to January 2001. The report employs a model that examines the "social organization" and "technical organization" of drug distribution to structure the presentation of the findings and the discussion. The wider context of the study is important to note: it took place during a period of dramatic and unprecedented reductions in all categories of criminal offending both nationally and in New York City, which some have claimed has driven national trends.

Methods: The report is based on ethnographic observations and interviews conducted on Manhattan's Lower East Side with 73 dealers of various drugs and 93 users. Slightly more than half the sample was white, with Hispanics, African-Americans and people of mixed heritage making up the remainder. The overwhelming majority of distributors were male. Users, on the other hand, were evenly split between men and women.

Major Findings:

1) The Virtual Disappearance of Street Sales:

The most notable change in the technical organization of distribution on the Lower East Side during the study period has been the almost complete disappearance of

street-level drug sales, especially those effected by corporate-style organizations. By the middle and late 1990s, gentrification and continuous pressure applied by the police had made much of the Lower East Side inhospitable to street-level dealers. Most of the changes in street-level drug markets observed by the researchers involved the physical displacement of dealers and users to indoor locales and an accompanying adjustment in the way that business was conducted.

2) The Growth of Delivery and Delivery Services:

As street-level markets have disappeared, they have been replaced by drug delivery as the primary way for people to sell and buy drugs. A considerable number of corporate delivery businesses exist on the Lower East Side, but the market is open to many smaller and less organized businesses. The three primary types of drug delivery operations that were observed over the research period were: freelance delivery, bar delivery of drugs, and corporate delivery services. The larger corporate-style marijuana delivery distributors are the only corporate-style drug selling-organizations that continue to operate in the study area.

3) The Growing Importance of Secondary Markets:

In the transformed drug markets which now characterize the Lower East Side, buying drugs is now frequently accomplished through accessing personal networks, rather than through the anonymous public markets which characterized the area in the past. We describe much of this as a "secondary market" for drugs. The critical feature of

the secondary market is the use of a person who is not a "professional dealer" to facilitate the purchase of drugs, a person who, in essence, works as an agent for the consumer rather than the distributor. Another growth area in retail drug markets on the Lower East Side has been the proliferation of white heroin distributors who work as freelancers out of their homes and who represent a considerable portion of the secondary market for drugs in the neighborhood. In a third development that we call the "franchise system," the seller wholesales prepackaged bags of drugs to younger entrepreneurs who pay a percentage of the retail price (typically 75-90%) and keep the difference. Franchising appears to be a form of freelance distribution, but we argue that it is, in fact, the corporate form of distribution adapted to the realities of a changed marketplace.

4) Class Fragmentation and the Gentrification of Drug Markets:

Markets for all drugs are clearly diverging and the participants in the isolated or specialized sub-markets are becoming more insular and demographically homogeneous within them, often involving tightly-knit groups of distributors and users who have few interactions with participants from other markets. This is another facet of what we describe as the gentrification of drug markets. Middle-class consumers are the bulk of users on the Lower East Side at this point as the demographics of the area have shifted, but even within their ranks, users -- as groups or individuals -- tend to be highly segmented and compartmentalized. Furthermore, the class segmentation of markets has

been facilitated by technology that makes it easier for relatively closed groups of dealers and users to maintain contact with each other while excluding others.

The relative absence of any mention of violence associated with participation in drug markets over the duration of the study was remarkable given the history of drug-related violence on the Lower East Side. Old-time hard drug users who had lengthy criminal careers and were veterans of the period when violence was commonplace in the area agreed that the era of street crime and violence was over. Drug dealers were far more likely to be involved in violent crime as victims than as perpetrators. For the most part, dealers were extremely paranoid about being robbed, especially house dealers, many of whom recounted horrifying tales of home invasion-style robberies and one of whom told of witnessing the murder of a close business associate, after he himself had been brutally tortured. No dealers in our sample said they carried a gun while selling drugs and few kept firearms at home. Many commented that this was because they feared that the courts would look more sternly on carrying a gun than on selling drugs. The corporate delivery organizations which exist today are diametrically opposed to violent solutions, and generally employed a carrot rather than a stick to manage their labor force. Since the delivery organizations have no "turf" to defend and little idea where the competitors are active, there is little incentive to engage in violence with competitors.

Discussion:

While the Lower East Side is unique in some ways -- as a trend-setter in many areas of social life, including art, music and drug fashions -- it has often been "ahead of the curve" in terms of national drug trends, and it may offer insight and clues that resonate with developments taking place in other neighborhoods. Drug distribution continues to flourish today. Although gentrification and aggressive policing have reconfigured and recaptured the public and semipublic spaces in which drug distribution took place in the 1970s and 1980s, users continue to obtain drugs with little difficulty. And as the neighborhood has gentrified, so have the drug markets. Changes have occurred both in the technical organization of distribution (delivery and indoor markets of various kinds have come to predominate) and in the social organization of distribution (large corporate structures are less common and flourish only in the delivery segment of the business).

In general, law enforcement interventions have had little lasting impact on drug *use* patterns and are only partially responsible for the major transformations which took place in drug *markets* in New York City over the last fifteen years. The New York Police Department should continue doing what it has proven to be quite good at: containing and controlling public drug markets. In our view, the measure of success of narcotics enforcement should not be defined as eliminating drug distribution and use, but rather, reducing to the lowest possible level the harm to individuals, families and neighborhoods that may be associated with such activities.

INTRODUCTION

Takin' the edge off on a beautiful day
With a Frappacino and a crème brulée
Yeah, it's all over when you see a Range Rover
And to my bodega, I say "Hasta luego"
It's not what you do, it's what you say
And it's not who you know, it's who you pay
Down on Avenue A
And that's where the junkies used to play
Down on Avenue A.
(The Dictators. 2002. "Down on Avenue A.")

This study¹ uses ethnographic methods and techniques to examine the 2-year evolution of the variety of illegal retail drug markets on Manhattan's Lower East Side.

The study examines the structure, functioning, and interactions between existing and emergent drug markets from January 1999 to January 2001. This report employs a model that examines the "social organization" and "technical organization" of drug distribution to structure the presentation of the findings and the discussion. By "social organization" of distribution we refer to issues of cooperation, differential responsibility, and power and authority among distributors. "Technical organization," on the other hand, refers to issues

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such as the physical location, policies, procedures, technology and equipment employed by distributors.

Drug researchers, like law enforcement, have tended to concentrate on the most publicly visible distributors and users and there have been many studies conducted on the Lower East Side and elsewhere across the nation that describe or analyze rather narrow segments of the drug selling and using population that exist there. Few of these studies acknowledge, let alone describe, the scope of the overall market for illegal drugs. By focusing on the spectrum of illegal drugs markets on the Lower East Side, this study took a broader view that, we argue, is essential to contextualize the findings of in-depth study. Moreover, in light of the blatancy that characterized drug selling and consumption in the neighborhood for so many years, it is understandable that the less visible aspects of the market might have been overlooked by researchers, but as the neighborhood has changed over the last decade, these hidden segments of the illegal drug market have assumed a progressively more important role, and thus, it is now incumbent upon researcher to account for the overall contours of the market.

The wider context of the study is important to note: it took place during a period of dramatic and unprecedented reductions in all categories of criminal offending both nationally and in New York City, which some have claimed has driven national trends (Cuneen 1999, Curtis 1998, Greene 1999, Harnett and Andrews 1999, Silverman 1999).

While crime was down across America, the popular explanation for the startling change

in New York City was that civility did not percolate from the bottom up, but rather, was imposed from the top down by the more technologically-savvy application of law enforcement resources in managing people, especially around the lynchpin problems of disorder, the crown jewel of the Giuliani administration (Giuliani 1998a,b). Given the extraordinary emphasis that this administration placed on policing illegal drug use and distribution, this research provides a timely examination of that issue through an analysis of violence and non-drug crime on the Lower East Side and an assessment of the relative impacts of law enforcement activities, demographic shifts, and land-use changes on drug markets.

Why the Lower East Side?: history and demographics

The Lower East Side is a neighborhood that is compact and sharply defined (see Appendix IV, map of the Lower East Side), and it has often been a harbinger of trends in drug distribution, use and policing that later emerge in other areas of New York City and the United States as a whole (Curtis and Wendel 2000, Goldstein 1984, 1985, Sharff 1981, Waterston 1993, Wendel and Curtis 2000, Zimmer 1985, 1990). The Lower East Side was well established as a heroin selling area by the late 1920s, when aggressive Italian dealers replaced the Jewish entrepreneurs who had initially dominated the market after the drug had become illegal and was no longer dispensed by medical doctors (Courtwright 1982, Courtwright et al. 1989). In the 1960s, an influx of hippies began the

area's long association with countercultural activities. The term "East Village" dates from this period (Mele 2000).

In the 1970s, the Lower East Side, like most poor areas in New York City, entered into a long spiral of crime, decay and abandonment, culminating in the city's fiscal crisis and near-bankruptcy in 1976. Landlords walked away from or burned down dilapidated buildings whose rent rolls would not provide much more than the cost of taxes and heat. In an effort to prevent abandonment, the city began taking over buildings for unpaid taxes more quickly, but the policy backfired and abandonment increased (Mele 2000:191). By the end of the decade, the scores of abandoned buildings and vacant lots provided the locations for the area's thriving drug markets. The area was referred to as "the drug capital of America" (Chambers 1982) and "the Mecca of dope [heroin]" (by a heroin addict who died last year after living in the neighborhood for more than 30 years).

The Lower East Side was deeply affected by the exponential growth of street-level drug markets beginning in the late 1960s and early 1970s, a development that many attribute to the consequences of the Knapp Commission Report on Police Corruption (1973) which documented how police officers regularly extorted cash from drug distributors and users, and were also "involved in possession and sale of narcotics in a variety of ways, including financing transactions, recruiting informants and addicts as pushers, and share-selling, where the pusher is given drugs on consignment and retains part of the proceeds as payment" (Knapp 1973:105). The Knapp Commission

recommended that the Police Department's "enforcement efforts be directed away from indiscriminate drug loitering arrests and toward making good cases against high-level drug distributors" (Knapp 1973:113). What resulted was a hands-off policy by the New York City Police Department and the introduction of the "Mr. Big" strategy of drug control, an approach that focused on arresting major traffickers, but allowed street-level drug markets to grow unchecked. Soon, the Lower East Side was being described as a "buyer's paradise" (Zimmer 1987) as the blatancy of street-level drug distribution and consumption spiraled out of control. In noting the powerlessness of New York City police officers to affect the situation, Zimmer (1987:1) quoted one police officer, "who had spent nearly thirty years policing the Lower East Side":

There was nothing we could do. There were some blocks in the precinct that I avoided as much as possible because it was embarrassing to be a police officer and see the law broken in front of your eyes and know there was nothing we could do.

The entire area was awash with drugs in the early 1980s. Marijuana and cocaine were widely available at many street-level locales, but also from candy stores, tire repair shops, record stores and the several "doors" throughout the neighborhood. The "doors" were storefront operations that made no pretense of selling legal commodities - they consisted of an empty storefront containing a teller window where consumers could purchase marijuana. *Bodegas* (small Hispanic grocery stores) were another type of indoor locale that sold drugs. They differed from the "doors" in that they appeared to be

legitimate businesses (and indeed, to varying degrees, often were), offering various grocery items for sale, as well as illegal drugs. Both the “doors” and *bodegas* were often run by Hispanics and were generally characterized by socially-bonded and corporate forms of organization (see Curtis and Wendel 2000).

Heroin and cocaine were also available from a variety of street locations and abandoned buildings that were taken over for drug sales. These locations were generally run by large corporate organizations, with a great deal of division of labor and a consequent unequal division of the fruits of that labor. Whole blocks and stretches of blocks were entirely dominated by these large corporate drug-selling organizations, which employed hundreds and maybe, thousands of people. For example, there were people employed to watch for the police on rooftops or street corners and call out “Bajando!” (“Coming down” in Spanish, as in “The police are coming down the block”) or “Five-O!” (police, from the television series *Hawaii 5-0*),² people employed to keep order in the lines customers would be required to stand in, people employed to actually do hand to hand transactions, people employed to package drugs, to count money and so on. Of course, there had to be still more people employed to watch and monitor all these people, given the large amounts of cash and drugs involved in the trade.

² The current street term is “Feo,” meaning “ugly” in Spanish.

Moore (1977:198) was right when he noted that “street-level dealers can now afford to behave very aggressively because neither the Narcotics Division nor the Patrol Bureau is paying very much attention to them.” The mushroom in cocaine trafficking in the early 1980s combined with the development of huge street-level drug markets, however, led to a renewed interest in street-level drug enforcement. Following Mark Moore’s (1977) advice that law enforcement agencies were targeting the “wrong level of distribution,” and that the disruption of “copping areas” might deter new drug users from escalating their patterns of drug consumption, many police departments, but especially in New York City, began to devise strategies which refocused their energies on the growing problem of street-level drug markets.

In 1984, responding to community pressure and the interests of real estate developers, the New York City Police Department initiated their first attempt to address blatant street-level drug distribution and consumption since the appearance of the Knapp Commission Report. Operation Pressure Point primarily targeted street-level heroin markets on Manhattan’s Lower East Side by deploying an additional 240 uniformed police officers in the area. The goal of the intervention was to “disrupt” trade on the Lower East Side and the police did so by primarily targeting buyers and sellers. Zimmer (1987:6) noted that “nearly half of all arrests [were] for misdemeanor possession; another nearly 10 percent for loitering for the purpose of buying drugs.” Thousands of arrests were made during the campaign and the New York Police Department proclaimed it an

unqualified success, setting the stage for additional interventions in the latter half of the decade. Some observers questioned the overall effectiveness of the strategy and noted that one outcome was that drug markets were not so much dismantled as they were displaced to less affluent areas of the neighborhood and to Williamsburg, Brooklyn, located directly across the East River from the Lower East Side (Curtis and Maher 1992, Mulgrav 1985, Zimmer 1987).

Operation Pressure Point, and, beginning in 1988, the Tactical Narcotics Teams (TNT), clearly had some localized effects on drug markets, especially the more blatant ones, but it was often difficult to recognize whether or not tangible gains were being made in the lengthy war of attrition on street-level drug markets. Clearly though, the blatancy of street dealing and drug use never returned to the levels that sparked Operation Pressure Point. They were further reduced by TNT operations in the late 1980s and early 1990s. While there is evidence that some geographical displacement of drug markets resulted from successive waves of street-level law enforcement initiatives on the Lower East Side, the emergence of alternate styles of distribution filled the void created by the disappearance of street-level operatives, and represent another type of displacement that took place. Nevertheless, many businesses continued to operate on the street during this period despite vigorous policing, but they found themselves having to alter their operations in a variety of ways. For example, since the early 1970s in heroin markets, customer loyalty to a particular organization or its product was established and

maintained via logos—or “stamps”—that were affixed with ink on the glassine \$10 bags (Goldstein et al. 1984, Wendel and Curtis 2000). Stamps were often associated with a particular organization and they sometimes lasted for years without changing. One enduring stamp on the Lower East Side was called “No Joke,” and the organization papered the neighborhood with adhesive stickers that instructed users to “ask for it by name.” While this strategy allowed organizations to build a substantial customer base, it also allowed narcotics police to more easily identify and track the participants associated with that particular market place. To avoid detection, by the mid-1990s, some organizations began to switch logos on a regular basis. For example, one heroin dealer, during late 1995- early 1996, changed his stamp at least four times. The stamp began as “Action,” then changed to “Da Bomb,” then to “Real,” then to “Life” (With The *Life* Magazine Logo), and then back To “Action” in the space of a few months. Some dealers in the neighborhood, fearing that a logo would provide a road map for the police, began to sell unstamped bags of heroin. There were many other ways that street-level operatives changed their business practices in response to greater police pressures (see Sviridoff et al. 1992 for more discussion of these), but the point is that despite the substantial numbers of arrests that were effected on the Lower East Side and elsewhere in New York City, drugs continued to be widely available and easily accessible on the street well into the 1990s.

The population and demographics of the area have changed a great deal over the last twenty years. Renovation, often involving dividing one family-sized apartment into several studio apartments, co-op conversions and some new construction have made a great deal of new housing stock available in the area, but the much higher cost of this housing has largely resulted in an influx of affluent newcomers, as long-time residents of the area are priced out of the market. The result is a neighborhood which is more affluent, whiter, has far fewer children and a large concentration of single people in their twenties and thirties. Hispanic families, in particular, have been priced out of much of the privately-owned housing and increasingly concentrated in the large public housing projects which run along the eastern edge of the area, between Avenue D and the East River.

From 1980 to 1990, for example, median household income increased 36% (City of New York Department of City Planning 1993). Unfortunately, the 2000 Census figures on income by neighborhood will not be available until June, 2002 (personal communication, 2002, Peter Lobo, New York Department of City Planning), but from all indications the increase in median income in the area in the 1990s was even greater than in the 1980s. Median gross rent in the area increased 37.3% from 1980 to 1990 (City of New York Department of City Planning 1993), in an area where 88% of households are renter-occupied (vs. 95% in 1980) (City of New York Department of City Planning 1992, 2001).

The Hispanic population has declined considerably. In 1980, there were 56,690 Hispanics (30.1% of the total population), in 1990, 52,217 (City of New York Department of City Planning 1992). By 2000, only 44,195 remained (26.9% of the total population) (City of New York Department of City Planning 2001), mostly concentrated in housing projects along the eastern edge of the neighborhood (Mele 2000). The white population on the other hand, remained roughly the same (46,396 in 2000 vs. 47,671 in 1980), but in 2000 for the first time there were more whites than Hispanics in the area (City of New York Department of City Planning 1992, 2001). The Asian population of the area increased greatly (57,871 in 2000 vs. 34,979 in 1980), but was concentrated in the fringes of Chinatown on the southern edge of the study area and isolated by language and culture (City of New York Department of City Planning 1992, 2001).

The number of children in much of the study area has plunged, as childless whites replaced Hispanic families. The number of children enrolled in neighborhood pre-primary schools plunged by 48.3% from 1980 to 1990, while the number of college students in the area jumped by 62.8% (City of New York Department of City Planning 1993). In 2000, there were only 28,116 persons 18 under in the area (vs. 37,682 in 1980, a 25.4% decrease in the number of children) (City of New York Department of City Planning 1992, 2001). Almost all (77.8%) were either Asian or Hispanic (10,139 Asians, 11,722 Hispanics), population groups who are mostly concentrated in public housing on

the eastern and southern edges of the area (City of New York Department of City Planning 2001).

In 1980, the number of persons aged 20-39 was 52,503 (City of New York Department of City Planning 1993). In 2000, the comparable figure was 62,499, a 19% increase (City of New York Department of City Planning 2001). In 1980, 60.3% of the area's population lived in family households and there were only 17,350 non-family households in the area (City of New York Department of City Planning 1992). By 2000, only 46.8% lived in family households, while the number of non-family households had more than doubled, to 36,971 (City of New York Department of City Planning 2001). The number of housing units increased from 47,244 in 1980 to 72,681 in 2000 (City of New York Department of City Planning 1992, 2001), a 53.8% increase, in a dense urban area where little new construction took place, reflecting the trend towards subdividing existing residential spaces into smaller apartments for the smaller, childless households which have come to characterize the area.

By the mid-1990s, the gentrifying neighborhood was inhabited by a surreal mixture of aging Eastern European immigrants, Asians, yuppie stockbrokers, dreadlocked squatter punks and Hispanic families who all found that an extremely wide variety of drugs were available from an increasingly diverse number and style of distributors. Second Street and Avenue B, the hottest heroin corner during that period, was a vivid reminder of the decidedly odd mixture that had come to characterize the neighborhood.

On that corner, an abandoned gas station had been ceded to local artists by a fleeing group of Dominican heroin dealers who liked the artists' unique scrap metal super-sculptures. The gas station quickly turned into a neighborhood icon with a hive of fantastic metal towers, a 24-hour forge that cranked out bicycle repairs, an 80-foot US states steel map, and the proprietors sold organic produce and grilled upstate trout during the late summer and fall. While local drug dealers who worked on that corner did not associate with the cabal of welders, musicians and farmers that made the gas station their headquarters, the area around the gas station, devoid of storefronts and obscured by the towering fence made from metal scraps and overgrown with local weeds, was a magnet for those needing a public place to linger and conduct business. Exchanges of money for syringes happened on the street while heroin was sold more discreetly in nearby nooks and apartments. To passers-by, the scene on this corner, like many others in the neighborhood, exuded an eclectic blend of people and lifestyles that were, all at once, confusing, sometimes complementary, but strangely attractive. The symbolic power of this corner has not been lost on other observers:

Most symbolic in this regard is the new 6-story rental building on the corner of Avenue B and Second Street. This building occupies the site of an old gas station, converted in the 1980s to an eponymously named art gallery. The gallery closed and the condo development was begun in 1996. [T]he building will contain 61 apartment renting for an average \$26 per square foot per year (\$1,950 per month for a 900 square foot apartment). Studded by four duplex penthouses on the top floor, it will be fully wired with T-1 Internet access.... This late 1990s condominium symbolizes the

new constellation of political and economic forces that now transform the Lower East Side. (Smith and Defilippis 2000:648)

As the “Mecca” of drugs, the Lower East Side continued to attract people from across the nation and, indeed, the globe. One homeless youth we interviewed commented on the annual pilgrimage that he and his legion of friends made to the Lower East Side. While he recognized that the Lower East Side was place where homeless youth could survive over the summer, at the same time, its fast-paced lifestyle exacted a visible toll on them.

In New York, everybody is fighting and shooting drugs. I see all my friends and they look so healthy and looking good and then they come to New York City and they just trash themselves. It is too easy to get drugs here. It is too easy to get dope. Everywhere else you get a \$20 bag of dope and kids say they don't even get high off it. Here you get a fucking dime bag of dope, split it between two people and you both get off. . . . I think New York City is the worst for chewing people up and spitting them right out.

In 1998, the year before this project began, the researchers interviewed about 40 of a growing number of nomadic homeless young people (referred to locally as the “crusty” kids) who spent their summers in the neighborhood. According to them, “Everybody knows about the East Village. It is where the punk rock scene is, and I thought, if there is a punk rock scene there, I am sure there is other shit going on as well. Might as well head over there” (Isaac). “My sister told me about it first. She told me to go down to the East Village and Tompkins Square Park. So I came here to check it out” (Rocket). “It is where I heard all the street kids stay” (Sammy). “Everyone knows about

Tompkins Square. I heard about it on the road. It is just where the kids go” (Andy). “My friend knew to come to the park. It is cool. All my friends come here” (Cindy). “My friend told me to come here. When I got here it’s [heroin] all over the East Village. You just look around and everybody is a junkie”(Regina). “I know this area. Like I know where to get drugs. I have had connections here for a long time” (Karen).

It has become a standard journalistic cliché that the “East Village” and the Lower East Side in general have gentrified. For example, the *New York Times* real estate section’s weekly column “If you’re thinking of living in...” featured the East Village in December 2000 in an article entitled “From mean streets to cutting edge”: “On once drug-infested streets, it’s now rents that are shooting up” (Garb 2000). The article says that the median price of a two-bedroom condominium apartment is \$450,000, up from \$350,000 in 1999 and \$150,000 in 1995 and that the “midrange price” on a two-bedroom apartment is \$1,500 a month, up from \$1,200 in 1999 and \$900 in 1995. One real estate agent is quoted as saying “If you want to live in the East Village, you better be prepared to pay a lot of money. The only way to get anything under \$1,000 is to share a bedroom.” Another article in the “House and Home” section, “On Avenue C, renewal and regret” (Leland 2000), says that “in storefronts that once housed drug dens, a handful of entrepreneurs are opening smart bistros, bars and cafes.... Gone too are the cinderblocks that sealed abandoned buildings; behind the new, double-paned windows are tiny one-bedroom apartments renting for \$2,000 a month, surprising even real estate agents.” The

article quotes a staff member at the Lower East Side Harm Reduction Center, a needle-exchange and healthcare service provider, then located at Avenue C and Third Street, as saying that “We’re looking for a place where our participants won’t have to walk past haute couture clothing stores on their way to us.” The Center subsequently moved to the presumably more appropriate precincts of Allen Street below Houston Street, outside the East Village portion of the neighborhood. Another official of the same program is quoted in another article (entitled “East Village junkies as historical footnote”) as lamenting that intravenous drug users have become hard to find in the area: “They’ve vanished and I can’t figure out where they’ve gone” (Jacobs 1999). Another article, marking the tenth anniversary of the anti-gentrification Tompkins Square Park riot of 1998, asks the question “Did the protestors win that battle but lose the war?” “These days, however, gentrification is alive and well in the East Village, thanks to plummeting crime, the waning crack epidemic and the city’s robust economy. Avenue B, once a no-man’s-land of drug dealers and shuttered storefronts, is lined with a smattering of new restaurants, bars and boutiques. Luxury rentals are moving briskly on Avenue B and Second Street and even once-anarchic and drug-addled Avenue C feels tame” (Jacobs 1998).

The gentrification of the Lower East Side has also become the subject of academic discussion as well, much of it focussing on the changes in the area that occurred in the 1980s and culminated in the Tompkins Square riot (see, e.g., Abu-Lughod 1994, Mele 2000, Smith and Defilppis 2000). Mele’s *Selling the Lower East Side*:

Culture, real estate and resistance in New York City (2000) argues that the area's reputation as a center of countercultural activity, and ethnic diversity has been used by the real estate industry as a marketing tool: "Commercial and residential developments based on representations of an ethnically, sexually and culturally diverse community have sold housing to submarket of middle class who are capable of paying significantly higher rents to consume such an identity.... This submarket consists mostly white, college-educated individuals in the twenty-to-forty-year range who live alone or in shared households" (Mele 2000:297). Mele uses census figures to document the concentration of Hispanics and low-income residence in public housing on the eastern and southern margins of the area (Mele 2000:302-6). Smith and Defilippis (1999) argue, based on city records of tax arrears owed by area landlords that the initial wave of gentrification and increases in rents which occurred in the 1980s and abated somewhat during the recession of the turn of the decade, has been followed by an even greater increase in the 1990s. This view finds support in a recent worldwide survey of housing prices by *The Economist* ("Going through the roof" 2002), which found that New York real estate prices made up their early 1990s decline in the late 1990s and that "Since 1980 prices in New York have risen more than five times as fast as the national average."

In sum, between the 1960s and the mid-1990s, the Lower East Side had acquired and regularly burnished its international reputation as a major center of legal and extra-legal recreational activity: the bars, cafes, dance and rock clubs that lined the streets and

avenues were complemented by the entire spectrum of illegal drugs, including marijuana, heroin, cocaine, amphetamines, prescription drugs, psychedelics and, more recently, the so-called club drugs, such as Ecstasy (MDMA) and Special K (ketamine). Beginning in 1983, the police had managed to decrease the blatancy of street-level sales and use (as well as crime, in general), but to many observers, the crackdown had resulted in a broadening of purchasing options for users rather than restricting the availability of drugs. Many different styles of drug distribution also flourished in this heterogeneous ferment: in addition to the corporate street-level organizations that remained active, freelance street-level retailers were evident, as well as “house connections” (dealers operating out of apartments), delivery services, and bar and club sales. It was this rapidly changing and heterogeneous mixture of people and drugs, squeezed into a confined urban space, that prompted the researchers’ interest in this study.

METHODS

This report is based on ethnographic observations and interviews conducted on Manhattan’s Lower East Side with 73 dealers of various drugs and 93 users. Slightly more than half the sample was white, with Hispanics, African Americans and people of mixed heritage making up the remainder. The overwhelming majority of distributors were male. Among the 5 female distributors interviewed for the project, 2 of them were “dispatchers” for corporate marijuana delivery services; two of the others ran “house connection” businesses (one for marijuana, one for heroin) that catered to a relatively

small clientele. Users, on the other hand, were evenly split between men and women. The majority of the study sample fell into the 25-40 age range, but there were a few who were 18 and 19, and several who were over 55 years of age. The oldest distributor in the sample, 62 years old, began selling heroin in 1996. The researchers had initially worried about problems analyzing the data if dealers and users under the age of 18 were excluded,³ but contrary to some popular opinion, there was little evidence that substantial numbers of youths under the age of 18 were involved in dealing drugs. Though it was clear that many people under the age of 18 were using illegal drugs, especially marijuana and ecstasy, it did not appear that their patterns or trajectories of use were dissimilar to those of other, slightly older users who were eligible for inclusion in the study.

With the wider view of the overall drug scene that this study attempted to capture, there were some niche markets that could not be penetrated without extraordinary effort and greater time, and that was a luxury that the research team did not possess. For example, one distributor told the researchers about a former associate who delivered drugs to an exclusive clientele of “stockbrokers and Wall Street executives.” Though the project was not able to conduct direct observations of or many in-depth interviews with people who participated in the more exclusive, class-segmented markets that existed on the Lower East Side, the fact that the research team documented the existence of these

³ Persons under the age of 18 were excluded from the study because the researchers could not convince the

truly hidden distributors and consumers provides a more complete picture that what currently exists and gave the researchers a better idea of how to contextualize the findings that are presented in this report.

Given the complexity of the overlapping and intersecting markets that had historically been present on the Lower East Side and which had been increasingly evident during the proposal-writing period, the research team purposely sought to recruit a study sample that was as broad as possible: one that represented involvement with the entire range of illegal drugs that were sold and used in the neighborhood. To that end, fieldwork by the researchers first documented the extent and diversity of drugs found in the neighborhood through conversations with key research subjects and participants in the various drug markets. The research team subsequently interviewed users and distributors who sold everything from heroin to methadone, cannabis to Marinol, and Prozac to Xanax.

In addition to drawing a sample that covered the entire spectrum of drugs that were available in the area, the project was interested in sampling along two additional axes of differentiation: according to differences in the social and technical organization of distribution. By social organization of distribution we refer to issues of cooperation, differential responsibility, and power and authority among distributors. Technical

John Jay College Institutional Review Board to allow the study to include minors.

organization, on the other hand, refers to issues such as the physical location, policies, procedures, technology and equipment employed by distributors. Included as part of the technical organization of distribution are such items as the timing and sites of distribution activities, the types of materials and equipment used by distributors, and the policies and procedures adopted to ensure that distribution activities function smoothly. For analytic purposes, some aspects of the technical organization of distribution are clearly more important to consider than others. For example, distributors may vary greatly by the type of equipment they use to effect retail sales and these may have important law enforcement implications, but such distinctions may not be as useful for understanding the differences between different styles of distribution. For this research, the location of sales was selected as the critical variable to focus upon because it offered greater analytic power than other measures of technical organization. There are many examples in the data of different types of selling locales, but we have grouped them into three categories: 1) street-level sales, 2) indoor sales, and 3) delivery services. Given the rich history of the Lower East Side, the researchers anticipated recruiting comparable numbers of distributors from each of these three categories, but they quickly discovered that one of them, street-level sales, had been significantly affected by recent changes in the neighborhood and there were very few street-level distributors working on the Lower East Side by the time the researchers entered the field. In many ways, this somewhat startling fact was a major finding of the research and it is discussed at length immediately

after this section. Ultimately, the researchers interviewed about a dozen street-level operatives while the rest of the sample of distributors was somewhat evenly divided between indoor sales and deliver services.

The researchers also recruited from among three ideal types of social organization that represent a conceptual sequence of increasing complexity: 1) freelance distributors, 2) socially bound businesses, and 3) corporate-style distributors. The two major defining characteristics of freelance distributors are a lack of formal hierarchy and the absence of a division of labor. Relationships between freelance distributors are, ideally, egalitarian—no one owes anything to anyone else and every person is their own boss—and alliances made strictly on an ad hoc basis are typically short-lived. Socially-bonded businesses are those that are based upon extra-economic social ties, typically kinship, race, ethnicity, nationality, and/or neighborhood. Those who make up the group share some common feature (or set of features), beyond simply making money, which binds members of the group together. Corporate-style distributors are the most complexly organized of our three ideal types. They are the most hierarchic and exhibit the highest degree of division of labor, and the associations between persons involved are primarily based on making money. Given our earlier experience in the neighborhood over the previous few years and that of other researchers in the field, the research team had anticipated recruiting a substantial number of distributors who were employees of large corporate-style street-level organizations, a style that had dominated drug sales on the

Lower East Side over the past few decades. As mentioned above, however, by the time the project began, street sales had largely been eliminated from the neighborhood, and most of the large organizations were either disbanded or they downsized and transformed the way they did business to accommodate to neighborhood-level changes. The researchers found that corporate-style drug distribution organizations continued to operate in the neighborhood, but only as delivery services, a type of business that generally entails fewer specialized roles, and thus less hierarchy, than their street-level counterparts. In the end, freelance distributors accounted for about half of the sample of distributors, with socially-bonded and corporate distributors each making up about a quarter.

Because of the changes that had taken place in the neighborhood—gentrification overlaid with intensive narcotics- and quality-of-life policing—recruiting subjects for the study was much more difficult than the researchers initially anticipated. When the investigators wrote the proposal for this study, considerable street-level activity was still visible in several parts of the area, and the street-recruitment of research subjects was sometimes as easy as taking a stroll down the street (see Appendix I, Typology of drug distribution from preliminary research). Street-recruitment was, after all, a strategy that had worked well on several earlier research projects, including the 5-year study of heroin that the researchers had begun in 1996. By the time the researchers entered the field to begin this study, however, the situation had changed rather dramatically. Street dealing

had virtually disappeared (see below) and potential research subjects were difficult to locate and sometimes even more difficult to recruit for the study. By the summer of 1999, the neighborhood had changed so rapidly and radically that even the homeless kids from around the nation who normally made their way to the Lower East Side each summer went elsewhere. The few who remained explained the problem from their perspective:

There are too many fucking cops. Giuliani, man. I got a ticket for laying on a bench, sitting on a sidewalk. . . they want us to get out of town. They will be glad when it gets cold and none of us are here.

I love New York, but New York is a little much for me. I have been here for three weeks and I got arrested once for smoking a joint, once for doing drugs, and once for my old warrants. I can't seem to stay out of jail here. It is very frustrating.

Steady and intensive policing was one factor that drove street-level activities indoors, and as distributors retreated to more private domains and the police adjusted their approach to the problem, the problems of research subject recruitment were compounded. In interview after interview, research subjects spoke about the air of paranoia that had come to permeate the neighborhood (and New York City in general) and many people were extremely suspicious of everyone, especially other users who were suspected of having become police informants to save their own skins. Below, one Puerto Rican dealer/user talks about the level of paranoia that had crept over the downtown scene:

These days, it's much harder to get drugs. You gotta be careful first, who you gonna talk to, 'cause down here you don't really know who's who.

You got a lotta guys, they workin' with the police just so they could stay high. The only way you really know someone, like I know you and you know me, ya know, and maybe we know some other people. But then again, you don't know how many other people have changed themselves, just so they could stay above water, ya know what I'm sayin'.

The lack of trust, it seems, impinged upon every category of relationship: neighbors were often described as vengeful and were constantly suspected of having called the police on dealers and users, users were uniformly suspected of being informers, dealers were accused of using the police to eliminate rivals, and they were even suspected of tipping off the police about their customers, as one cocaine user worried:

There were times I had copped [drugs], and the people I copped from—the way they are—it's just like they know people are bein' busted when they walk a block away, but they're sellin' anyway. It's like they gonna be down with the fuckin' police, man, ya know—I'm serious, ya know.

In a period characterized by great paranoia among distributors and consumers, the ability to recruit anyone for this study was an achievement. The researchers' affiliation with John Jay College of Criminal Justice was also sometimes an impediment to overcome with distributors and users, particularly after 9/11, when we found ourselves sharing floor space with the Secret Service, whose presence made some research subjects even more uneasy about talking with the researchers.

The atmosphere of secrecy and distrust was not confined to research subjects; it was a theme that ran through nearly every group of people that the researchers talked with about the study. No one, it seemed, wanted to go "on the record" about anything,

and it was, and remains yet today, a serious impediment to formulating a complete picture and understanding of the forces that are changing this neighborhood and the city at large. In the opinion of virtually everyone the researchers spoke with, the responsibility for this dark and worrisome undercurrent that stained an otherwise upbeat picture of urban regeneration, lies squarely and indisputably with the Giuliani administration. The unwillingness to divulge information, we were told, was the outcome of direct orders or rooted in the perception that harsh punishment would befall on those who violated the secrecy dictum. Thus, for example, despite letters, phone calls and verbal appeals, we were unable to get even the most basic crime and arrest information from the Police Department for the three precincts that intersect in the study area. It has only been since the Giuliani administration has left office that any numbers at all have been forthcoming.

FINDINGS⁴

THE VIRTUAL DISAPPEARANCE OF STREET SALES

As mentioned above, the technical organization of distribution refers to issues such as the physical location, policies, procedures, technology and equipment employed by distributors, and includes the timing and sites of distribution activities to ensure that distribution activities function smoothly. This section will primarily describe and analyze changes in the “sites” of distribution according to the tripartite division described in the

Methods section (above) -- street sales, indoor businesses and delivery services—but will also include some discussion of changes in the tools and technology that are employed by participants in the various drug markets. For example, the widespread use of cell phones, pagers, and to a lesser degree computers, to conduct business is discussed in light of the increasing class fragmentation of drug markets, specific changes in local conditions (e.g., blocking incoming calls on pay phones) and national or global trends (e.g., the ubiquity of cell phones).

The most notable change in the technical organization of distribution on the Lower East Side during the study period has been the almost complete disappearance of street-level drug sales, especially those effected by corporate-style organizations. Our description of/use of the term corporate-style drug distribution arose from our and others' observations of "old school" New York City-style drug dealing in public spaces. Distributors of this type were very common from the 1970s through the mid-1990s (although, of course, many other styles of distribution also flourished at that time) and arguably represented the dominant form of drug distribution throughout New York City during that period (see, e.g., Curtis and Wendel 2000, Johnson et al. 1985, Preble and Casey 1969, Waterston 1993, Wendel and Curtis 2000). The term corporate arose primarily from the stratified and hierarchical nature of these enterprises, which exhibited

⁴ See Appendix II, Typology of drug distribution, 2001, for a table depicting drug markets at the end of the

a great deal of division of labor and functional specialization (“owners,” “managers,” “workers,” “lookouts,” “touts,” etc.), and often paid wages to their “workers” on a regular payday. Invariably, when talking with study participants about their overall impression of how the neighborhood had changed over the last few years, the first thing they talked about is how the “street” had changed with the disappearance of these organizations. Below, several long-time drug users and distributors from the neighborhood summarize the change:

[The neighborhood] cooled down a helluva lot, man, a lot! If you ever been down here before, you could see the difference—the change of people. A lotta people that was here at that time, they’re not here now. They either dead or they in jail somewhere. There’s still drugs here, but not like it was before. Now, maybe they not sellin’ on the corners like they used to, but they usin’ beepers to do what they have to do. They doin’ it that way or they on bicycles, you know.

I mean it’s totally different [today]. If you do drugs, it’s like underground, it’s real quiet. Nobody comes here approaching you, you gotta actually know the person. [It’s hard] to cop drugs out here now, you know what I’m sayin’. It’s real down low now, you know what I’m sayin’—it’s real down low now.

Well, I used to sell drugs on Second Street and Avenue B—back in the day. I lived in the Lower East Side for all my life. Now, you barely see [drugs] out here. Back in the days, the Lower East Side always had abandoned buildings and you went from this building to that building and you didn’t have to come out. All you hadda do is go from building to building, yard to yard [for drugs]. Back in the days, out here was a mess.
Judy, 38:

study period.

The way I see it now—it's like cleaned up compared to the way it was, say in '83. You could walk the streets now. You don't see syringes layin' all over the place like you used to back then. Before, you used to see syringes everywhere, and now it's like if you find like three in a neighborhood it's a lot. At least the kids can play without fallin' down and gettin' hurt—worryin', gettin' stuck with a needle or an infected needle, ya know.

The other day I went out looking for weed in the street. I used to time myself in the early nineties, before I got connected better, just to see how quickly I could score a bag of weed. It would be like two minutes sometimes, but sometimes I had to walk a few blocks till I found someone. This last time the two people I asked I could tell they were on their own, without any kind of back-up or friends or look outs and I figured it would just be a fluke thing, like, maybe he'll just sell me some of his personal stash. But they just told me they could give me some beeper numbers. I thought that was pretty generous and wondered if they were open so late, it was one in the morning. They both said that the services probably weren't open then.

The shrinkage of street-level markets and reductions in the number of street-level dealers can probably be traced as far back as Operation Pressure Point in 1983-4, when a heavy police presence managed to displace street-level operatives from the western end of the Lower East Side (Mulgrav 1985, Zimmer 1987) (particularly, 1st Avenue and Avenue A) to areas surrounding public housing projects in the eastern section of the neighborhood. By the middle and late 1990s, gentrification and continuous pressure applied by the police had made much of the Lower East Side inhospitable to street-level dealers.

By the time that this project began in 1999, there were virtually no organizations conducting street-level transactions on the Lower East Side. The place where the

researchers anticipated finding street-level drug transactions was near Avenue D, in and around the public housing projects. With that in mind, several users and part-time dealers were contacted in May 1999 to help the research team identify these markets and the people who operated and participated in them. One particular incident was typical of the experiences that the research team encountered when trying to observe and interview the participants in these vestigial markets. One former heroin dealer, Tony, who had worked with the researchers on other projects and had been quite helpful in recruiting research subjects was asked to act as an intermediary so that the researchers could meet some of the local street-level heroin dealers. He had recently been laid off when the corporate sellers downsized, but he continued to occasionally work with them and still knew many of those who remained in the business as well as their customers. He took members of the research team to meet a group of heroin dealers on Avenue D and E. 12th Street.

Arriving at the projects around 3p.m. on a Saturday afternoon, he was somewhat mystified that the young men who he thought were sure to be there, were not visible in their usual spots around the housing projects. Tony explained that the young men that sold heroin spent most of their time hanging around outside the projects, but that their hours of operation were severely limited, unlike the previous year when their operation was often open around the clock. It is significant to note that heroin was the only drug that continued to be sold on the street by organized distributors. One reason for this is that, unlike most other drugs, the pharmacology of heroin use demands that habituated

users administer the drug at regular intervals or they begin to experience withdrawal symptoms, and the social and economic circumstances of most users are such that they cannot purchase drugs in advance, but rather engage in a pattern of “copping” one or more times daily. Thus, distributors can anticipate, and indeed, shape their clients’ purchasing routines, but transactions must take place at fairly regular intervals. This group of distributors had developed a schedule with their customers that allowed them to spend only a few hours each day transacting business, thereby reducing their risk of detection and arrest. The rest of the time, they milled around the projects playing soccer or basketball, watching for potential trouble like unknown or suspicious-looking persons asking about buying drugs, or making arrangements with loyal customers to meet at specific times and places. When Tony did not see the dealers on a particular set of benches near Avenue D or near the basketball courts, he went to their mothers’ apartments to find out where they were.

As the ethnographer sat outside the projects waiting for Tony to return, it was clear that the Lower East Side had changed rather dramatically over the last few years. The park was filled with children playing, mothers pushed baby carriages up and down the sidewalk, a wedding party with men in tuxedos and women in chiffon dresses carried bouquets of flowers and trays of food in and out of the lobby of the building that Tony had entered, and old men sat in the shade in front of a bodega playing dominoes and listening to salsa that blared on the radio. If there were still drug dealers and users in the

area, they were scarcely visible in this transformed urban landscape. The ethnographer, whose presence a few years ago might have caused all these heads to turn in this Hispanic neighborhood, was scarcely noticed and people went about their business without any apparent distractions. When Tony finally returned an hour later, he apologized for taking so long and then proceeded to explain that the dealers were afraid to come outside and meet the ethnographer, despite his vouching for our trustworthiness and telling them that he had known us for more than 10 years. It was several weeks later before we were able to talk with some of the distributors who worked in the area, but their levels of paranoia never seemed to disappear, and even though they appeared to spend the majority of their days relaxing and lounging on the benches around the projects, they were often extremely anxious about who might be watching them. Over time, we discovered that customers, too, frequently had difficulty locating and buying drugs from former street-level dealers like these, and many of them found it easier to buy elsewhere. For example, one long-term heroin and cocaine injector with visible track marks on his arms complained that he could no longer walk into the area and buy drugs; even he needed an intermediary to make a purchase:

Coke is in the projects, in the ones near Chinatown. Tens and twenties are sold there. At that place, I have to sit in the car while my pal goes in to cop. They don't let me go in and I never get to see the transactions. It's sold in foil packets, like in the old days. Often, we go across the bridge to Williamsburg. It's more convenient to go there because you don't have to search for anyone and I know the people there.

The researchers were surprised by the cautiousness that street-level dealers exhibited; they were loath to take on new clients or talk to strangers like the ethnographers. Perhaps because they had been the main targets of narcotics enforcement while their more sheltered counterparts seemed scarcely affected by policing, they seemed to treat everyone as a potential informer. Since street-level drug markets had such a long history in the neighborhood, however, the research team felt compelled to find out what happened to some of the more enduring businesses whose operations the research team had periodically documented in the years leading up to this project. Two of these street-level businesses are discussed below.

“Laundromat” and “GQ”

Laundromat was infamous for the brazenness of the transactions that they conducted in full view of the entire block. In the pre-“Pressure Point” era, drugs were sold from a laundromat in a tenement building located in the middle of the block on East 7th Street between Avenues B and C. By the late 1990s, Laundromat was long gone, but the drug selling continued, first from the former laundromat and then from the residential building where the storefront laundromat had been located. Heroin users from across the metropolitan area flocked to this site to buy \$10 unstamped bags of heroin. Cocaine was also available in \$5 foil-wrapped units, primarily for heroin users who preferred “speedballs” (a mixture of heroin and cocaine that is typically injected) - few who were exclusively users of cocaine would buy there. Two lookouts were posted at each end of

the block to watch for the police, and other workers in front of the building would exhort would-be buyers to “Keep moving! Keep moving! Come back in ten minutes!” When the traffic light on the end of the block was red and no police were in sight, sellers wearing ski masks and waiter’s aprons with large, deep pockets stuffed with bags of heroin and cocaine stepped out the front door onto the stoop to serve the lines of drug users that formed in seconds. Furiously selling bags and “bundles” of drugs, money and drugs changed hands rapidly for several minutes. After selling all their drugs, or stepping inside to avoid detection by the police, the remaining users would have to linger around the area to wait for the sellers to reappear in about half an hour, only to have the same scenario play out all over again.

This classic corporate-style organization began in the 1980s and was one of the last remaining street-level organizations on the Lower East Side in the late 1990s, but they were put out of business in 1996 (Harnett and Andrews 1999). A member of the New York City Police Department about the years of frustrations that Laundromat had presented for the Department and how they finally “solved” the problem.

We were going there every day and filling up the van with people. We must have arrested hundreds at that spot alone. But when we went to community meetings, we were getting hammered by residents who complained that the minute we left the area, the dealers came right back out. No matter how often we went there or how many people we arrested, we couldn’t seem to get rid of the problem. Eventually, we figured out that this was not going to solve the problem, so for about 6 months, we did surveillance on the block. Undercover officers bought drugs there to learn more about the business, and observations were made from rooftops and

other places. Eventually, we learned who the different players were, who was in charge, where they kept their drugs, where the stash houses were, and so on. After about 6 months of this, we went in one day and arrested everyone connected with the operation. After that, Laundromat was closed for good and the block has been clean since then.

The initial approach taken by the police was to arrest the laborers of this organization—the lowest rung on the corporate ladder—and seize whatever drugs might be found with them, but with a nearly inexhaustible supply of street-level workers at their disposal and the bulk of the drugs hidden in nearby locations, the owners and managers of Laundromat were easily able to keep pace in a war of attrition and still make a profit. It was only after several months of close observation by undercover police that the social organization of the business was mapped and the technical organization of the business understood in such a way that the police could effectively intervene, arrest the key players, seize their assets, and close the business down.

Even though the police were able to close down Laundromat, drugs were still available on the block, just not in as visible a fashion. While most residents, especially the newer ones, seemed generally pleased by the passing of this local institution, some long-term residents expressed mixed feelings about its demise. One white “yuppie” resident of the block who was a marijuana user but had always viewed the activities of Laundromat with great distress told researchers

At first, when they got busted we were happy, like ‘Ding! Dong! The witch is dead! But then I realized, now I can’t lock my bike on the street overnight. I could be mugged right on my own block. I live in New York

City now. Because this was a very safe block, those guys wouldn't allow any crime.

The closing of Laundromat was a capstone event in the gentrification of the Lower East Side, but many saw its closing as more than simply a skirmish in the war on drugs. To them, it signaled the triumph of gentrification, the certainty of escalating rents, new kinds of neighbors, and increased vulnerability to street crime, which Laundromat employees had effectively controlled on the block. Three years after the city shut down Laundromat, apartments in a newly-constructed luxury apartment building (with in-house laundry room) next door to the Laundromat building were renting for \$1,800 to 5,500 a month (Garbarine 1999).

Another long-term street dealing location did manage to survive into the study period, but only briefly. GQ was a cocaine and crack dealing organization that operated out of a bodega and two apartments on First Avenue and 11th Street. Everyone who worked there was Hispanic, although in later years not all were Puerto Rican or Dominican. Mexicans, Ecuadorians and Colombians, many of whom got their jobs through relatives, also worked there over the many years that GQ was in operation. This is an example of a business which bridged the gap between what we have termed a socially-bonded and a corporate business: many of the workers were related to each other, but there was a hierarchy of workers, managers and owners. Prior to the study period, GQ had been a fairly typical Lower East Side cocaine *bodega*: a business that was

a legitimate, if poorly-stocked and indifferently-run, grocery store, which also sold cocaine. Many such stores filled the area during the 1980s and early 1990s. GQ also developed a sideline in crack, which drew a different clientele than their cocaine operation. Because the dealers saw their crack clientele as “dirty” and “low-lives”, they would not let them into the store, but sold to them outside on the street. By the beginning of the study period, most sales of both cocaine and crack took place on the street outside the bodega, with crack sold on the opposite side of First Avenue from the store and cocaine directly in front. Many arrests took place, day in and day out, but with seemingly little effect on the organization’s ability to conduct business as usual. While law enforcement pressures were apparently not enough to eliminate GQ’s operation, the business was finally dismantled when the landlord replaced the bodega with a distinctly upscale restaurant. The surrounding area had changed, too: many new stores and restaurants catering to newer, more affluent neighborhood residents appeared in the area that was GQ’s turf. GQ’s sellers no longer blended into the fabric of the neighborhood, but were now conspicuous and vulnerable.

Laundromat and GQ were two high-profile street-level corporate-style businesses that had operated on the Lower East Side for more than a decade. The sudden demise of both of the organizations in 1998 and 1999 underscores how an array of pressures brought about rapid changes in the neighborhood. In the case of Laundromat, the relentless application of narcotics policing was the key element in closing down the

operation, though it required an innovative approach that was more than the standard buy-and-bust routine, and a considerable investment of time and effort. GQ, on the other hand, was not dismantled by brute force, but rather, by the encroachment of gentrification that attracted new populations and merchants who displaced GQ's management from their storefront headquarters and made selling drugs on the sidewalk increasingly visible and uncomfortable for their operatives.

Adaptations in the street-level markets: temporal displacement and Washington Square Park

With the disappearance of street sales effected by corporate organizations like Laundromat and GQ, street-level drug transactions became quite rare in the neighborhood. Most of the changes in street-level drug markets observed by the researchers involved the physical displacement of dealers and users to indoor locales and an accompanying adjustment in the way that business was conducted. Those dealers who continued to meet customers on the streets, like the heroin dealers in the projects described above, tended to severely limit their hours of operation and coordinate business with long-term customers in such a way that their vulnerability was reduced. There were, however, a few exceptions. Street-level markets for methadone and pharmaceuticals were active near drug treatment facilities. These markets are discussed later, in the context of the increasing class segmentation of drug markets. For those distributors who attempted to remain active at the street level but did not have a strong connection to their customer

base, a temporal displacement effect was clearly at work. For example, the researchers observed occasional sales made by opportunistic freelance distributors who solicited heroin customers from their bicycles near Tompkins Square Park, a site that had a reputation for being a place where heroin users hang out and use drugs. These few instances, observed only during the first year of fieldwork, were very brief in duration and happened only during a few hours each day. We have termed these transitory and opportunistic street markets “hit and run” markets.

Another type of opportunistic operation observed by the researchers capitalized on the late-night crowd exiting from bars, clubs and other events. These types of transactions tended to occur after midnight, and were confined to a few hours—generally, about midnight to 2 a.m.—at one or two specific locales in the neighborhood. In one case, two dealers set up a temporary base on the stoop of a building near the one of the East Village’s main drags while a “runner” solicited customers for a cut of the proceeds.

A local marijuana dealer who came across the scene commented:

The other night I saw this dude scurrying down the street counting money with a pair of white suburban-types trailing behind. They seemed drunk, or maybe high on X [ecstasy] or coke, I don’t know what but they definitely weren’t sober. The other couple was standing in front of one of the new boutique/vintage clothes/whatever shops, the woman yelling loud enough for anyone to hear within 40 feet, “Don’t get it unless it’s good!” The woman was in her mid-twenties and was wealthy enough to have purchased the latest fashions from J. Crew or Eddie Bauer or some store like that. Both the men had khaki tan pleated shorts that reached their knees and bulky woolen socks stuffed inside brown boat/sport utility shoes. They seemed to be bridge and tunnel types; New York people don’t

usually dress that dorky. It was just like they had stepped out of a mall. The fact that they were buying drugs in the street in the year 2000 just showed that they were too out of it to have a delivery number.

These after-midnight sales by opportunistic freelancers and small, socially-bonded businesses almost exclusively marketed cocaine to late-night revelers, a population that is easily recognizable within the small window of opportunity that exists at this very particular time and place.

The bicycle dealers in Tompkins Square Park eventually stopped coming around every afternoon, partially due to the lack of potential customers, but also as the result of changes in the park that made them increasingly visible during a time when there was considerable policing. On the other hand, the late-night markets persist because their customer base has not disappeared, and indeed, it might very well have increased as the result of more bars and clubs opening in the area (see below), but also because there is simply far less enforcement activity in the late evening than during the day. Though we were not able to get any information from the Police Department regarding the timing of their drug arrests, observations and interviews strongly suggest the most active period for drug enforcement activity is during daylight hours.

There was one street-level market that merits mention, even though it fell several blocks outside the western edge of the project's research area. The persistence of this market is important to note because it was the recipient of much more pressure from the forces of gentrification and the police than any of the sites the researchers observed on

the Lower East Side, including Laundromat and GQ. Since at least the 1960s, Washington Square Park in Greenwich Village, adjacent to New York University, has had a reputation for drug sales, especially marijuana. Since the 1970s, the park has been dominated by a loose federation of West Indian freelance distributors, mostly Jamaicans, who generally do not live in the immediate area. At one time, anonymous transactions were common in the park, but dealers generally preferred, and sought to develop, a stable client base. Under the Giuliani administration, extremely aggressive policing in and around the park and the installation of video surveillance cameras in the late 1990s had, in the opinion of many, largely eliminated the problem. Yet despite the extraordinary attention that drug sales in the area received from the police and local residents, distributors and consumers continued to meet there with regularity. For example, one Jamaican marijuana dealer who spends his days in Washington Square Park, discusses his daily routine and the degree to which law enforcement is an inconvenience but does not prevent him from conducting business.

For the past twenty-four hours—me wake up yesterday morning, me eat, shit, shower and shave. You see? Take my daughter to school, walk me wife to the train station. Then me start a hustlin'—like sellin' reefer, West Fourth Street Park. Me been down this area now for maybe the past three years. On a average day, me could make at least a hundred dollars. Me have me own clientele so me don't have to sell to no stranger. Most a the time me sit in the park, play soccer ball with my friends then and sell my weed. I don't start no trouble with nobody and I stay in the park 'till about five. Me go home and check on the kids from school. Evenin' time me spend time with my wife—everyday ting—the routine never change. Never sell to nobody me don't know and me only deal with customers me

know for years! Me been arrested for sellin' my reefer—but not for long time now.

While nearly every site for street-level dealing on the Lower East Side and in Greenwich Village has disappeared over the last several years, the continued existence of marijuana sales in and around Washington Square Park—indeed, the normalcy with which dealers perceive the situation—suggests that some markets will persist despite the investment of time, money, technology and enforcement personnel far beyond the point of diminishing returns.

Post 9/11 street-level drug sales

For the most part, there is little evidence to suggest that drug dealers reoccupied the streets in the numbers predicted by the police or media fear mongers following the events of 9/11. On the Lower East Side, one of the neighborhoods closest to ground zero, a minimal change in the way that drugs are distributed since 9/11 was observed, with a few street-level freelance dealers furtively offering marijuana or cocaine to passers by. In those neighborhoods where drugs were sold on the street before 9/11, there was clearly a reprieve for drug dealers when the police were diverted to emergency duties and some of them saw street-level markets become quite blatant for about three months. On the Lower East Side, however, especially in the two weeks following the attack when Manhattan south of 14th Street was closed to all traffic, there was considerably less public dealing than other neighborhoods that the researchers observed, and some dealers—especially

marijuana dealers whose product is bulky and pungent—were fearful of bringing supplies into the neighborhood because of the stepped up police presence in the area.

THE GROWTH OF DELIVERY AND DELIVERY SERVICES

As street-level markets and the street-level drug users they catered to have disappeared from the Lower East Side, they have been replaced by drug delivery as the primary way for people to sell and buy drugs. Though there are a considerable number of corporate delivery businesses that exist on the Lower East Side, the market is open to the type of smaller, less organized businesses that were not permitted to coexist and compete with their dominant corporate counterparts when transactions took place on the street and in other public spaces. In the more recent past, in addition to the growing number of delivery operations, many novel forms of drug distribution in other areas of the city have been documented, including:

- A Brooklyn ice cream truck which sold marijuana and hashish (Roane 1998a)
- “a cluster of sports bars on Staten Island” which distributed cocaine (Roane 1998b).
- A hotel which “sold millions of dollars worth of crack cocaine to white-collar workers in midtown Manhattan” (Rohde 1998).
- A Bronx car service which delivered cocaine and heroin in radio-dispatched cabs (Fitz-Gibbon 1998).

In this section, we describe the three primary types of drug delivery operations that were observed over the research period: freelance delivery, bar delivery of drugs, and corporate delivery services. Prior to that, we describe the history of drug delivery on the

Lower East Side, beginning with marijuana delivery in the 1970s. Unlike anonymous street transactions, buyers almost invariably need an introduction to be able to buy from one of these distributors, but such introductions (sometimes done entirely over the phone) are relatively easy to come by. Distributors often rely on a core base of reliable clients and this allows them to anticipate sales and profits, but they also sometimes seek to build market share by recruiting customers from rivals. Unlike street-level transactions where violence was sometimes an outcome of coveting a rival's customers, in this market place, violence over customers is virtually unheard of. Below, a bartender in the neighborhood talks about drug delivery, accentuating its difference from earlier methods of selling and acquiring illegal drugs.

Rent has tripled and the neighborhood is gentrified. And as far as drugs go, like I said, it's gone from off the street to delivery. The demographics have changed in this neighborhood—there's richer people living in this neighborhood, where ten years ago you still had the arty farty freaks who could sort of afford to live in this neighborhood. Now, you don't have that, so you don't have that much of a street style—you know. What you have now is a gated community that lives in their apartments and I think that totally caters to a delivery clientele. I would say that the availability is higher than it was. The delivery thing has been goin' on for quite awhile. I think it was always here anyway, but it just became more of what everybody did—"Let's get some blow. Okay. Do you got a number?" That's it, "Do you have a number?" A phone number—a 917 -- a cellphone number. You call the guy up. "Where are you?" "I'm here, blah, blah, blah." "How much do you want?" You have to get a minimum of fifty dollars. "Okay, who wants some coke?" And like that. And then the guy would come and show up.

History of delivery on the Lower East Side

Drug delivery in New York City began in the late 1970s or early in 1980s on the Lower East Side, when “Pope” Mickey Cesar (AKA Caesar, Cezar, etc.), a homosexual Navy veteran who had been selling marijuana in the Netherlands was deported and returned to downtown Manhattan to set up shop in the East Village, selling marijuana to all who called 777-CASH or appeared at his storefront, which was raided in 1981 (Sager 1991). Subsequently he moved to Eleventh Street and Avenue B, where his “Church of the Realized Fantasy” set up shop, selling marijuana at 1-800-WANT-POT (Sager 1991). This number was widely known and was heavily publicized, especially by “Pope” Mickey’s annual appearances at the May Day Fifth Avenue Pot Parade ⁵ clad in a papal mitre emblazoned with a large marijuana leaf and handing out free joints attached to business cards advertising his 1-800-WANT-POT service (Sager 1991). Long-time marijuana activist (and “Pope” enemy) Dana Beale comments on “Michael Caesar, the self-styled ‘Pope of Pot’”:

For ten years, the “Pope” had a simple but effective way of glomming all the column inches available for pot coverage in the New York papers: Open up a marijuana delivery service; offer all the younger anarchists jobs (without the political demands they’d be subjected to at #9 [Bleecker Street, the headquarters of Beale’s group], where they were forbidden to deal pot). Let them do hard drugs (Fred was the Pope’s lieutenant for years; all his earnings went into his arm.) Then go public in unfriendly media like the New York Post, get busted, and take all the delivery boys to

⁵ The parade has been a New York institution since the late 70s, although much smaller in the Giuliani years (January 1994-January 2002) due to widespread arrests.

jail with you....He [Beale] knew that Pope Mickey was only interested in free advertising for dial-a-joint (DeRienzo et al. 1997:77).

The “Pope” reigned until 1990, when he appeared on the Howard Stern radio show and advertised the 1-800-WANT-POT number, which resulted in a police raid on November 14, 1990, which followed three purchases made by police from the service’s couriers (Sager 1991). The service continued in operation after the arrest, and, according to our research, many of the services which followed (including some of our research subjects) assembled their initial client lists from the Cesar’s customer list which allegedly included as many as 5,000 clients. Cesar died of liver cancer on February 1, 1995.

The marijuana delivery business became a New York institution in the 1990s. Knowing references to “weed delivery” are a staple of the city’s alternative/counter-cultural press. For example, when the satirical weekly *The Onion* moved their editorial headquarters from the midwest to New York City, weekly lifestyle/listings publication *TimeOutNewYork* interviewed them about “what they like best about their new home”:

“Weed delivery.”

“Oh my God—why didn’t we say that?”

“I just said it.”

“Scratch everything. That is number one.”

“The guy brings it to your door—and you don’t even have to listen to tapes of his band.” (Cohen 2001)

A nationally syndicated radio broadcast series on the underground economy syndicated on public radio stations⁶ commented that “It’s the way that drug dealers have adapted that’s interesting. Knowing New Yorkers—who are mostly carless and love ordering in—dealers have taken a page from grocery stores, delis and restaurants. For thousands of New Yorkers, illegal door to door drugs are just a phone call away. Jody, who understandably doesn’t want to use her real name, spent last summer delivering pot to customers in uptown Manhattan. And as she wrote in her diary during her summer of selling drugs, ‘It’s not bad work if you can get it’” (Henn 2001).

The online publication *Wired* (affiliated with the computer-oriented magazine of the same name) commented in 2001 that “Drug delivery services are nearly as ubiquitous in New York as pick-up basketball and pizza parlors. And they are alarmingly businesslike, passing out business cards, offering frequent buyers’ programs, and sending flyers to customers when contact numbers change.” (Schachtman 2001) In their annual “Best of Manhattan” issue, downtown weekly *New York Press* included “Best trend in weed delivery: Clear plastic boxes”: “All the guys we buy from sell them in clear plastic boxes; they look like ice cubes with flowers frozen inside” (Anonymous 1998).

An article in the UK fashion/music-oriented magazine *The Face* (Jellinek 1999) gives a detailed description of a freelance delivery distributor of marijuana, who rides a

⁶ The program interviewed study author Travis Wendel, as well as “Jody.”

motorcycle and sells marijuana to clients who contact him by beeper. The article also mentions, but does not discuss in detail, an apparently corporate-style marijuana delivery organization. The article discusses the pressures of the job, including fear of arrest and robbery and describes a robbery of “Dean,” the freelance seller:

Dean is standing in a record shop on Avenue A in the East Village, looking nervous. Outside are a couple of guys he thinks are following him. Messengers dread making deliveries in the East Village. Here, more than anywhere else in the city, messengers get jacked [robbed]. In recent years the neighborhood has seen a huge number of young, white hipsters move in. With them have come marijuana delivery services. Since many of these guys [marijuana deliverers] are also young, wealthy and white, they are easy targets for muggers. (Jellinek 1999)

The article also mentions the intense competition for such jobs, saying that “It is almost impossible to become a drug messenger. The competition for a slot working for one of the delivery services is intense” (Jellinek 1999).

A *Spin* magazine article, “Confessions of a Pot Delivery Girl,” written by an recent Ivy League graduate, says that, as a result of her job “I soon became convinced that virtually every person on the island of Manhattan smokes pot. I delivered to doctors, lawyers, professors, architects, housewives, and stockbrokers.” Initially, according to the article, she feared arrest, “[b]ut the feeling passed as I walked by them [police] in my black leather mules and knee-length skirt, a confident felon, young and white and female, handily concealed from the scope of the law” (Feinman 2001).

In the summer of 2001, the Internet was abuzz with rumors of a Net-based home pot delivery service. It turned out to be hoax, intended to promote "We Deliver" (available at www.we-deliver.tv), a web-based TV series about "Green Acres" a fictional Lower East Side-based marijuana delivery service. The series, guest-starring actress Rosie Perez as a stressed-out dot-commer and marijuana delivery customer, was produced by sputnik7 "the world's first real-time audio/video Internet entertainment experience, sputnik7 is a broadcast network offering a sophisticated mix of independent music, film, and anime programming via interactive Video Stations, Audio Stations, Videos on Demand, and Digital Downloads. sputnik7 [sic] recently received 3 awards: the Invision Award for Excellence in Entertainment, the Invision Award for Best Entertainment Streaming Media Site, and the first-ever ASCAP - Deems Taylor Award for an Internet website with outstanding music-related content" (Sputnik7 2001). Sputnik7 also recently released a theatrical film about hip-hop DJs, *Scratch*.

Sponsored by a long list of trendy hip hop/skateboard-oriented sportswear companies (including Triple 5 Soul, August Bishop, Rp55, North Peak, Enyce, Willie Esco, Dimes, Armani, Ecko Unlimited, Supreme, Writers Bench, Mecca, Soletechnology and Etnies), the eight-part web-based series follows the adventures of the employees of the service. A review in the pro-marijuana magazine *High Times* says that "Pothead couch-potato types will love this stuff. Green Acres sets up Wedeliver.com at the Fat Beats record store in Greenwich Village. Things quickly spin out of control because

Wedeliver.com is a high-tech weed-delivery service that responds to calls online—the
kozmo.com of pot dealers” (*High Times* 2001). Another reviewer (Moretti 2001)
commented that

About two years ago I wrote an article on the popularity of various weed
delivery services that were operating across Manhattan. When the story hit
the streets we caught tons of shit from people who thought we’d blown the
cover of a great scam. I tried to tell them it was smart to be paranoid
because their secret world was about to explode. Since then the number of
weed delivery services has multiplied ten fold and become infinitely more
efficient. Now even movie people are getting in on it. After getting so
much flak for my first article on weed delivery it was nice to see someone
who knew their shit talking about smoking shit. All this media attention
isn’t evil. It’s a secret heads up to the dealers. So, if you’re out there
delivering weed, watch “We Deliver,” take notes, get organized and most
of all, stay paranoid.

The online magazine *Slate* (“Lucas Miller” 2000) in an article entitled “Smoked out:
what do cops really think about marijuana” by regular correspondent, pseudonymous
policeman “Lucas Miller,” discusses how an off-duty policeman encounters the
marijuana delivery market in the course of his social life:

About a week ago, I stopped by my girlfriend’s apartment to pick her up
for dinner. Her roommate....was uncharacteristically unhappy to see me at
the door....I figured that it was just because I was interrupting their lazy
Sunday afternoon.... I plopped down on the couch with the other two and
starting watching television. Soon the doorbell rang and the roommate
jumped up, a look of horror on her face. “Who’s that?” I asked with
friendly curiosity.... What I should have known but didn’t guess is that
they had just received a little package from one of the many marijuana
delivery services that bring pot directly to New Yorkers’ doors.... It’s not
that I think that you, smoking a little marijuana in the privacy of your own
living room, are committing a wrong against society that must be righted.
In fact, in New York State, possession of small amounts of marijuana in

your home is a “violation,” which is less serious than a misdemeanor and not legally a crime. It is on the order of urinating in public.... Since violations are not grounds for a search warrant, you are almost definitely going to get away with it. Buying that pot on a street corner is a different story.... [A]ggressive enforcement of quality-of-life violations has simply become the normal way we do business.... That said, I won’t be hauling my girlfriend’s roommate off anytime soon. My department, like many, frowns on off-duty arrests for all but the most serious crimes. Were I to interrupt my dinner dates to make arrests for unlawful possession of marijuana, I would probably get laughed out of my office. But nor could I sit idle....That’s why....I found myself hitting the redial button on their phone pad, trying to get the number of the delivery service.

Freelance Delivery

Freelancers are active in the markets for all drugs. Most do not seek, nor are they equipped to handle a large volume of transactions. With the exception of corporate delivery services that hire multiple delivery persons, most businesses consist of no more than a handful of people. Some freelancers who have begun delivering drugs to their customers have carved out a market niche by offering “one stop shopping.” These distributors usually offer cannabis, ecstasy and other club drugs, and cocaine hydrochloride to an affluent and hedonistic client base. This poly-drug palette approach appears to be confined to freelance delivery distributors.

There is no way of knowing or even estimating with any degree of confidence, the number of freelance delivery businesses that exist on the Lower East Side. Given the disappearance of street-level sales and the proliferation of organized delivery services in the area (one corporate delivery service owner estimates there to be “more than 50”

similar businesses on the Lower East Side) the number of freelancers must be considerable. This is clearly a growth area of the market, and since many of the larger services offer fewer rather than a greater number of choices to their customers, and there are limits on how much money a delivery person may make working for such a service, many freelancers have branched out on their own, often offering a full range of products in various denominations. Below, a marijuana dealer in the neighborhood talked about one of many freelancers that started his own operation over the last few years.

After running a half dozen delivery services of varying sizes, Elmo decided to go it alone. He answers his pages immediately from a pre-paid cell phone and uses a variety of travel modes to cover a small area. If customers can't make it in to the East Village he doesn't meet them. Theft primarily drove him this point. He said, "No matter how much you think someone is your friend, when you're doing this they're always going to steal from you eventually." While I'm not sure just how much he lost over the years it was enough to swear off working with associates ever again. If he goes away he has a small enough customer base to let his regulars know in advance, and since the pager works anywhere, he can at least respond and tell whomever that he is not around.

Bar delivery of cocaine

The Lower East Side is home to a huge concentration of bars and nightclubs. According to a recent New York Times article (Moynihan 2002), "There are 99 businesses licensed to sell beer, wine or liquor for consumption on their premises within the 10002 ZIP code, an area bordered by the East River, the Bowery and East Houston Street. Sixty-one licenses were granted in 2000 or 2001. In its neighboring ZIP code, 10009, which extends north from East Houston Street up to 20th Street, 153 businesses

have liquor licenses, many issued within the past few years.” As street distribution has become increasingly risky, the cocaine market has followed the customers into the bars and clubs. One user, who frequented many of the local bars and clubs where cocaine and other drugs were readily available commented:

I was living on like First Street and First Avenue. There were certain bars down here that were like a coke scene—and a few friends that did blow and stuff like that. ...everybody’s in the bathroom for prolonged periods of time—comin’ out with these big wide eyes and sniffles and all that stuff—and playin’ pool and drinkin’ and sweating profusely. But it was like you’re up all night. I would buy it with other people from local dealers—people that were at the bar.

There are a substantial number of cocaine distributors who roam from bar to bar, looking for familiar faces, who then become intermediaries helping introduce the dealers to new customers. These are not “delivery” businesses in the same way that others rely exclusively on phones and pagers to effect a meeting between distributor and consumers. These dealers, by contrast, tend to have a circuit that they follow (although it is often possible to arrange to meet them in the same way that other delivery businesses are structured), and their regular customers quickly learn the various stops along the route and when the dealers are likely to be there. Distributors who participate in this scene tend to sell \$20 packets of heavily adulterated cocaine hydrochloride to clients who sniff the drugs on the premises. Bartenders interviewed by the researchers have indicated that they are aware of this practice, which they attempt to prevent in order to avoid police activity, community complaints and possible threats to their liquor licenses. One bartender talked

about how he handled what had become a worsening problem for him:

I can nail 'em every time. I'm like, "What are you doin' here?" They're like, "Oh, Jack Daniels." I'm like, "Fuck you man, you're not gonna drink—you're gonna have a sip of that and you're gonna wander around talkin' to everyone in this bar. You get out now. I'm not gonna charge you for your drink—leave. I'm refusing you service because I think you're selling drugs." A guy walks in, doesn't order anything to drink and starts walkin' around, sittin' down, talkin' to people at tables—you're just not socializing, you know what I mean? It's New York City, it ain't like no fuckin'—it's anywhere—it's so obvious. I'm sure there's other drug dealers who are not so obvious that got away with it and I'm like "More power to you—whatever you gotta do to make money, just be subtle." If I see you, you're busted, that's it—it works like a cop. And then they give me this speech about "Oh, oh, you're a racist. Oh, oh, this and that." I'm like, "Bullshit." And I've busted white guys in there sellin' drugs in there and I've busted black guys sellin' drugs in there—like big, big guys. There's not a lotta Hispanics who come in the bar—it's mostly white kids that come in that bar. It depends on what night of course. On Friday nights I got idiots—idiots. The new Village—the people who can afford to pay \$1200 for a studio apartment come down here.

Corporate Delivery

The larger corporate-style marijuana delivery distributors are the only corporate-style organizations that continue to operate in the study area. Most sell only marijuana, partly because of the lower penalties for sales of marijuana as opposed to sale of other illegal drugs, but also because of a larger customer base and more stable, reliable customers. Below, one owner talks about why the business only sells marijuana:

[Selling drugs other than marijuana] just totally kills the concept of what we're about. I mean the idea is to keep this in the sense of how the Dutch view different drugs as soft drugs and hard drugs. We definitely want to stay away from the hard drugs. You know, not just because of the laws,

but mostly because of the laws. But also because, because, you know the client base you get with that is pretty wacky too.

The researchers were able to interview employees of four different corporate marijuana delivery services. One service was extremely cooperative, and researchers were able to interview all of their staff and one of the two owners, visit their offices and observe almost all aspects of their operation throughout the two-year study period. This service, which we will call DankCo, had been in business for about ten years, after splitting off from an earlier operation which had begun in the mid 1980s. There are two owners, both white males in their 30s and one former owner who still is somewhat involved, a black male also in his 30s (the only non-white person involved in DankCo).

The business employs about 10-15 runners/riders, all of who are white males, and 2-3 dispatchers. Unlike the corporate street-level businesses that the researchers have observed over the last 15 years, there is much less functional specialization within these organizations, remarkably little tension between management and labor, and comparatively less turnover in staff than the earlier street-level businesses. One owner purchases the large amounts of marijuana required to keep the service running, relying on three or four regular wholesale suppliers, and receives the bulk of the profits. The other owner is responsible for packaging the marijuana for sale and managing the staff and offices. The service sells from 65 to 85 \$50 bags of marijuana a day, 363 days a year (they close for Christmas and New Year's Day).

A prospective customer must first be recommended by an existing customer's phone call. He or she is then assigned a number, which is used in all future transactions. The customer calls a phone number (which is changed regularly), which is answered by the dispatcher, who is most often a woman, "just because of the idea that some people are afraid when they call up. To talk to a woman, you know, it kind of calms you down a little bit. But really, basically I think it was because we have women friends that needed jobs too." The dispatcher takes down the customer's location and verifies his or her code number. No amounts or prices are ever discussed on the phone and customers who mention such things are dropped from the rolls. The dispatcher then passes on the customer's location by cell phone or beeper to the runner or rider, who then goes to the customer's home, office, or other location where the transaction takes place. The runners, who may travel by foot, taxi, subway, bicycle, skateboard or rollerblades, pick up a set quantity of marijuana, prepackaged into \$50 bags, at the beginning of each shift and return with the cash and any unsold product at the end of the shift. The money, marijuana and business records are kept in a location that is completely separate from where the dispatcher is taking in orders. The runners are paid \$5 for each bag sold and also receive a monthly bonus based on hours worked, which was instituted to convince the riders to cease selling other drugs on the side, which the owners feared would jeopardize their business:

Worker: How much is the monthly payout? Basically you can blow all your day to day money and that'll still pay your rent, like six, seven hundred dollars.

Owner: We split profits now with them, in a bonus system. [How exactly does that work?] We count how many days a person's worked, and if they've done a lot, or if they came in at the last minute for somebody they get a bump up that way. If they've been bitching, whining, and complaining, they get a bump down that way. You wind up getting some cash. If you put in 12, 14 days, you're gonna get \$600 a month

The riders work only in Manhattan, from Canal Street in Lower Manhattan to 125th Street in Harlem (Upper Manhattan), and they are assigned their routes randomly each day by drawing cards. The dispatchers, like the riders, work from 2 to 8 p.m. but are paid a straight hourly wage. There are relatively few enduring tensions or disputes between the workers or between workers and management in this particular service, as evidenced by fact that they have successfully been in business for more than 10 years without a serious problem resulting from internal disputes. Over this time, the turnover rate has been minimal.

When asked how his business had reacted to the intensified policing style of the Giuliani era, one owner of this service replied,

We're not hiring black guys anymore because just basically if you're a black guy walking around New York, at least once a week you're gonna get some cop hassling you. I don't like Giuliani or whatever, but it just it just seems like it's a totally different thing to be a black guy in New York now and you know basically, you're gonna get hassled, you're gonna get roused, it's just the way things are. And uh, unfortunately I gotta run a business. And that means I've got to hire squeaky clean white kids. I mean I love hiring preppy looking white kids. Because it just seems like a very

assholeish thing [not to hire blacks], but you know realistically, it's like hey, we're in this to pay the bills, you know.

Since adopting this policy, his service has gone five years without an arrest. While this feat speaks to the relatively invisibility of delivery services as compared with their street-level predecessors and the degree to which violence is anathema to this style of business, it also points to a trend toward the gentrification of drug markets and greater class segmentation between them, a development that is discussed in more detail below.

THE GROWING IMPORTANCE OF "SECONDARY MARKETS"

In the transformed drug markets which now characterize the Lower East Side, buying drugs is now frequently accomplished through accessing personal networks, rather than through the anonymous public markets which characterized the area in the past. We describe much of this as a secondary market for drugs. Other researchers have used different terms, like "mutual societies" (Dorn et al. 1992), to describe much the same phenomenon. According to Dorn et al. (1992:10)

A mutual society is a friendship or acquaintance-based network of drug users, some of who, some of the time, will supply drugs to others. Reciprocity is the name of the game—every user is potentially a supplier and everyone is expected to help out everyone else—members of mutual societies or user/dealers as they are sometimes called, constitute a large population in relation to other types of traffickers.

Dorn et al. describe mutual societies as a phase that end in the early 1970s as the drug scene evolved into a much more professional and criminal enterprise. While we agree that in the United Kingdom and the United States, the 1970s witnessed considerable

growth in the organizational sophistication of drug distributors, clearly mutual societies of the kind they referred to persisted, and indeed, among some groups of drug users (especially, club drug users) have remained the predominant way that they acquire drugs.

Our use of the term secondary market refers to more than simply a small group of friends who buy and share drugs together. The critical feature of the secondary market is the use of a person who is not a “professional dealer” to facilitate the purchase of drugs, a person who, in essence, works as an agent for the consumer rather than the distributor. In this section, we describe the wider contexts of these secondary markets, including the evolution of “house connections” that often began as simply a group of friends that used drugs together, and the increasing importance of “franchising,” where personal connections between dealers and users are important, as are the connections between wholesale distributors and franchisees whose relationship becomes defined and maintained through the extension of credit so that business can take place. Each of these, we explain, is an example of a secondary market.

Our definition of a secondary market also includes the more limited meaning of a group of friends who get together, pool their money and often have a single person who buys for the entire group. This method of acquiring drugs is especially popular among the “club drug” crowd who use recreational drugs primarily on the weekends. Below, one Hispanic ecstasy user/dealer describes the egalitarian nature of these networks and hints at how, at any one time, one might be either a dealer or a user within the network:

So I'm sittin' at a friend's house and I'm watchin' a movie—and I actually got a few of 'em [tablets of ecstasy], went over to another friend of mine who wants it too. At that time they were probably like fifteen, eighteen dollars—something like that. They've gotten more expensive. They're like twenty-five dollars now—that's the cheapest. I got some from another friend and I told him, "This friend of mine has got some Ecstasy, I'm gonna go pick a couple up for me—if you want any." He said, "Yeah." So I gave him some—dropped it off at nine o'clock at his place. I dropped a tab myself. Went to another friend's house, watchin' TV.

Our data indicate that most of the participants in these particular drug using/dealing networks have not had much interaction with law enforcement, though that could change given the increased interest that club drugs are generating with policy makers and the police. While those who are obsessed with maintaining the appearance of aggressive drug enforcement would likely seek to arrest and charge members of these networks (who sometimes procure drugs for their friends) there is growing recognition that there is a very real difference between these people and *bona fide* drug dealers. Sometimes, however, no member of the group acts as a distributor, but rather, simply mobilizes the group to acquire drugs. According to one member of such a group:

[We found] out about [the coke] through the mutual friends. It was just like one day you're hangin' out with somebody: "Hey, you ever do blow?" You just gotta kinda like break into it. Or you meet somebody, and you kinda make a joke to somebody if you wanna find out if they smoke weed: "Oh man I wish I had a joint—a joint would be so good right now." And you'll find out if they smoke weed or not. And then they'd be like, "Yeah, that would be kinda cool." And you're like, "*Awright!*"—this guy's in—"C'mon, let's go in on a bag a weed together"—that whole kinda thing. And the same thing with coke.

Friendship networks were not the only route into a secondary market for drugs that users could activate. For many people, acquaintances at work were often seen as safe and reliable sources for drugs since the workplace provided cover and networking potential that often exceeded that found in strictly social circles. For example, one Hispanic polydrug user talked about various options that were available to him in the workplace:

Yeah, there were some guys that worked there I could always get weed from. And there was another guy I could always get blow from. There was actually another guy I knew at my job, he used to sell blow at a bar after work.

Without too much trouble, users can often find several sources for drugs, but many seemed to rely on a single source for their supplies. This was partially a matter of convenience for some, but for others, the disappearance of street-level transactions and the fragmentation of markets along class and race/ethnicity fault lines (see below), meant that their options became increasingly limited.

Indoor/"House Connection" freelancers:

One growth area in retail drug markets on the Lower East Side has been the proliferation of white heroin distributors who work as freelancers out of their homes and who represent a considerable portion of the secondary market for drugs in the neighborhood. Heroin sales in the neighborhood were formerly dominated by corporate-style organizations run by Puerto Ricans whose robust markets attracted a wide variety of

customers from throughout the metropolitan area. As these large organizations disappeared, the victims of housing displacement and relentless police pressure, many former employees who remained active in retail heroin sales branched out on their own or in small partnerships and cultivated closer relationships with their former employers' core customers—especially white or employed users—who had always bought heroin from them on the street. These new businesses, however, were frequently unable to expand because the distributors found themselves both socially and geographically isolated from their potential clients. Once a link between a distributor and a consumer was severed in this reconfigured market, it was very difficult for either party to reconnect. The resulting bottleneck between the well-stocked Hispanic heroin wholesalers with dwindling numbers of customers and the modestly growing number of white heroin users with no place to buy drugs created opportunities for a new generation of white distributors in the neighborhood to gain a toe-hold in the market.

The cadre of new white heroin sellers on the Lower East Side emerged to service white users who had very limited access to the drug. For example, Bob, a middle-aged Italian-American heroin user who was raised by alcoholic parents in the Bronx, served a clientele that fluctuated between 20 and 60 white heroin users. During the heroin epidemic of the 1970s, Bob had been a heroin injector, but stopped using when he entered a rehabilitation program. It was through that program that he received vocational training, completed his GED and, because of his academic abilities, was encouraged to

pursue a college degree. He eventually earned a Bachelors and Masters degree and found employment in a health care facility in Manhattan. Bob's entry into the heroin business started slowly, beginning in 1993 when various stresses in his everyday life coincided with his meeting several white heroin users who reintroduced him to the drug that he had not used in more than 15 years. At this time, he was studying for a graduate degree and found that using heroin helped him focus on writing papers for his classes. He had also discovered that he had hepatitis C and his brother died of AIDS. Bob moved into his brother's apartment on the Lower East Side (partially because the rent was only \$74 a month) and within a few months he had begun to inject heroin again.

At first, Bob used only a few times each week with his new-found group of acquaintances. Typically, they would pool their money and one person would buy the drugs in Harlem (because some of them had "connections" there and because they considered the heroin in Harlem to be stronger than what was available on the Lower East Side), but they used his apartment as a place to use the drugs. By 1995, Bob was using heroin on a daily basis, but the daily pooling of money to send someone to Harlem had become too expensive, cumbersome and unreliable for Bob and the others who had developed habits that demanded more frequent service. Running low on money and with a habit to maintain, Bob put up signs in the neighborhood seeking a roommate (who he charged \$200 a month, still a bargain in that neighborhood). The roommate, Bonnie, a Russian woman, almost 60 years old, was also a heroin user. She had been introduced

first to morphine many years ago by a nurse in the hospital where they both worked, but she later switched to heroin when she was unable to get morphine on a regular basis.

When she and Bob began their business, she brought with her most of the "customers" (including a number of Eastern Europeans who had recently come to the United States)

while Bob provided the operating capital and a base of operations. Neither of them had strong connections to Hispanic wholesale distributors on the Lower East Side, and Bob,

whose conversations were often replete with invective aimed at blacks and Hispanics,

found another source. He started buying weekly "packages" of stamped bags of heroin

(called "Execute") from two "mob-connected" distributors who worked out of

Philadelphia, a fact that probably says less about Bob's racist leanings than it does about

the disconnect between wholesalers who had heroin on the Lower East Side and upstart

white dealers who wanted to buy it. Starting off with less than 20 clients, all of who had

once been Bob or Bonnie's drug-using partners, through word of mouth, the business

quickly grew to about 60 customers.

Because of the relatively large size of their client base, the business operated primarily via cell phone and delivery by Bonnie, though long-time drug-using partners were still allowed to come to the apartment to buy and use their drugs. Most of the clients were from the Lower East Side, but several were from outside the immediate area, including one who lived in Stamford, Connecticut, where Bonnie made a weekly trip with several "bundles" to resupply a retail dealer who was selling heroin to his friends

and acquaintances. In 1998, Bonnie was arrested carrying drugs on 34th Street and 8th Avenue in Manhattan and her partnership with Bob abruptly ended. Neither of them were sure how the police managed to find out about Bonnie's delivery activities, but Bob suspected that the landlord, who lived on the first floor and wanted to get them kicked out of the building (after all, \$74 a month represented a significant financial loss for him) called the police after noticing all the traffic in and out of the building and the frequency of Bonnie's movements. With Bonnie in jail, Bob sought another roommate/business partner via word of mouth in the neighborhood. He also began selling unstamped bags of heroin, suspecting that the use of a stamp might have somehow led to their detection by the police. Ray, a white guy in his mid-30s took over Bonnie's delivery function, and even brought about 10 of his own customers (former using partners) to the business. The business, however, had begun to languish as the quality and quantity of the product they sold began to deteriorate and the total number of customers dwindled to about 30 people by late 1998. Those who continued to buy from them did so, according to our interviews, because they knew of no other place to buy heroin. Most of these were white people in their late 30s and 40s. The youngest were two white women in their mid-20s.

Bob and Ray were initially worried that Bonnie's visibility on the street was a factor that contributed to her arrest, and they reconfigured their business to be primarily a "house connection" where users would come directly to the apartment to buy drugs, though some customers still preferred to have their drugs delivered. The apartment

quickly deteriorated into a “shooting gallery” and customers, who bought and used drugs on the premises, began to spend considerable amounts of time at Bob’s place. This development, as well as their own escalating levels of use that they could not sustain, led Bob and Ray to purge the apartment of all customers and return to delivering drugs. In addition to worrying about the landlord calling the police on them, they feared being robbed since there was another heroin dealer working out of their building and they suspected that some of his customers would find them an “easy mark.” Because of his paranoia, Bob maintained a small arsenal of weapons (rifles, sawed off shotguns and various handguns) in his apartment and kept a loaded pistol on the coffee table at all times, though he has never had to use it. By the end of the research, Bob and Ray were still servicing their core groups of customers, but the business had not grown over the two-year research period. Bob became concerned about his increasing dependence upon the distributors from Philadelphia (whose product was sometimes of questionable quality), but lacking solid contacts to Hispanic wholesalers in the neighborhood and being socially inept, Bob and Ray had few options.

Secondary markets have become a much more prominent part of the overall market for drugs on the Lower East Side since the disappearance of street-level transactions, and in this section, we have described several permutations of that phenomenon. The existence of secondary markets is comparatively more important in the heroin business than others because of the degree of urgency that users attach to getting

the drug on a regular and predictable basis. In this case, personal connections and the ability to activate extended networks is crucial to managing a daily habit. Nevertheless, our observations and interviews revealed that virtually all drugs were regularly procured through secondary markets.

The externalization of labor: “Franchising” and the evolution of the corporate form of distribution

In the recently reconfigured drug markets on the Lower East Side, many of the former laborers in corporate-style organizations found other work when the large street-level drug businesses that employed them downsized, but a significant number of them began their own small drug businesses by assembling and serving core groups of reliable customers. The former owners and managers of the large businesses benefited in several ways from this arrangement. By “externalizing” their former laborers (for example, the hand-to-hand seller role, once paid for directly by drug-selling organizations, was no longer a paid position within the organization), the former owners and managers became wholesale suppliers to these new, smaller businesses. They were able to continue selling large volumes of drugs, but made far fewer transactions and managed to place an extra layer of insulation between themselves and the point of retail sale. The externalization of labor solved a big problem for the former corporate owners: what to do with an unruly labor force whose presence on the street often resulted in businesses losses (often through employee theft) and increased the risk of arrest. An example of this was Twin, a long-

time heroin user who once worked for a corporate heroin business, but who was laid off and subsequently developed a group of customers who are dependent upon his small, but in some ways, quite predictable business. Below, he talks about his relationship with one customer and in doing so, highlights the degree to which operatives like himself have become crucial to a marketplace of diminished choice for consumers.

Yesterday started like kinda shitty-like. I had a regular customer that I normally do EVERY morning. He wakes me up, okay. Yesterday, he woke me up, but I kept the money—I didn't bring what he want back, ya know. Believe it or not—he's an Oriental guy—been friends a long time. He told me, "You fucked up again. You fucked up again!" And for the fourth time he gives me the money again to go get some more. I fucked up! It's hard to explain because it seems like..... I guess this shit happens. Shit happens.

When anonymous street-level markets dominated the Lower East Side, users would not have tolerated dealers who ran off with their money; indeed, most of them would have had little difficulty making purchases themselves and would not have relied upon a dealer who repeatedly proved himself to be untrustworthy. The new market, however, is much more difficult to access, especially for new users, and with fewer choices available to them, users must often accept such losses as part of the price of using drugs. The advantage of his position was not lost on Twin either: he did not seem particularly alarmed at the prospect of facing the customer whose money he had pocketed. As he noted, "Shit happens" and the customer, it seems, shrugged it off and gave him money "for the fourth time" to buy more drugs. As a laborer whose work had

been externalized, Twin and others like him supplemented their modest income from direct sales by periodically “taxing” their clients in the manner described above. Even then, the money that he makes does not allow him to support a robust drug habit or live comfortably.

In some cases, the former owners offered “franchising” arrangements with retail dealers like Twin. Franchising is the term we have developed to describe the form of distribution which characterizes heroin and cocaine markets in the study area and much of the rest of the city as well. With the franchise system, the seller, rather than setting up a “spot” (or several “spots”) by hiring workers, lookouts and so on and putting the word out, wholesales prepackaged bags of drugs to younger entrepreneurs who pay the supplier a percentage (typically 75-90%) of the retail price and keeps the difference. The “franchisee” gets the benefit of a prepackaged product, often with a stamp which has an acquired a city- or borough-wide reputation. This arrangement was especially noticeable in heroin markets as “stamped” heroin bags, for many years an enduring symbol of corporate organization (Wendel and Curtis 2000), began to disappear in the mid-1990s and then made somewhat of a comeback over the research period via franchisees who procured “known” brands of heroin on credit from wholesalers. Evidence for this practice is supported by the DEA, who note that “Not all cutting mills are out of business, as evidenced by the discovery, as a result of a recent fire in the city, of a cutting mill in an apartment. One the walls of the apartment charts displayed several brand names of heroin

along with different formulas for cutting each brand” (National Drug Intelligence Center 2000:10). The advantage of being a franchisee and selling a brand name product—in addition to the name recognition factor—is that the retailer can get the product on credit and will not have to do any of the cutting, preparation and packaging of the product that purchases of bulk heroin, cocaine or crack might otherwise require. Heroin, in particular, has considerable street lore associated with adulterating it (Wendel et al. 2002, in press), and most retail distributors do not possess the resources, knowledge or skill required to “cut” the product without fear of ruining it. In other instances, pre-packaged but unstamped units were sold to retailers who wanted to avoid the dangers that branding carries with it (i.e., potentially providing traceable clues to law enforcement).

Franchising of distribution of heroin and cocaine arose in the early and mid-1990s as the tide in the war on drugs was beginning to turn in the Police Department’s favor—fixed location public dealing was clearly a doomed practice. Managers and up-and-coming street workers began giving out their beeper numbers to trusted long-term customers and meeting them in locations that were less “hot” (with police) than their usual locations. It was a bumpy transition: our fieldnotes from this era are full of accounts of going to meet the dealer on a street corner away from traditional dealing blocks, only to find several other familiar faces also waiting for the same dealer. The awkward visibility of meeting in this fashion tended to defeat the purpose of using a pager and dealers gradually moved to one-on-one meetings with their customers as a less

conspicuous way to do business. This would seem to be an indication that this was not a business model adapted from WeeDeliver and the marijuana delivery business (or, at least, that the business model was poorly understood by the would-be adapters) and would seem to indicate that this was a parallel evolution predicated on the widespread availability of pagers (and, later, cell phones).

Franchising appears to be a form of freelance distribution, but we argue that it is, in fact, the corporate form of distribution adapted to the realities of a changed marketplace. Just as the corporate buzzwords of the non-criminal economy in the 1990s were “downsizing” and “outsourcing” (processes that were paralleled by government “privatization” plans where private companies and individuals were paid to perform tasks traditionally seen as the responsibility of government), so too were they the operative words in criminal corporations. With franchising, the function of hand-to-hand sales to customers shifts from being waged labor performed by an employee under the supervision of a boss to labor performed by a (pseudo) independent contractor who appears to be a customer of (rather than a worker for) the supplier. Franchise dealers appear to be freelancers, but they can be distinguished from actual freelancers because their payments to suppliers are based on the retail price of the prepackaged product, not on a wholesale price for drugs. True freelancers are free to cut, alter, package and sell as they please. Franchise dealers, by choosing to sell a particular wholesaler’s product, give up much of the independence that true freelancers enjoy. Indeed, we argue that franchise

dealers are in fact employees who are paid a commission (rather than a wage), and their new relationship with the company has allowed the owners to further cut business costs and divest themselves of responsibility for their laborers.

Drug robbery may represent another (albeit involuntary and unintentional) form of externalization of labor functions formerly handled directly by the corporate enterprise. Most of the large-scale old style corporate dealers employed a number of enforcers (“violent labor” (Reuter 1985)). Even at the peak of violence in drug markets, however, such enforcers spent little time actually enforcing, and it can be argued that the real reason they were being paid by the owners was as a form of disguised bribery to prevent themselves and their businesses from becoming victims. When enterprises downsized and violence (or the reputation for violence) came to be seen as a more of a liability than an asset (for example, more likely to draw the attention of the police) the enforcers were no longer needed. Unlike the franchisees who were able to redefine their relationship with the company, enforcers were unable to get paid for their services any more, and many of them turned to robbing drug dealers (Jacobs 1999). This can be seen as another externalization of costs of doing business: rather than paying violent labor “wages” (AKA protection), the same dealers (or their replacements) are paying the same thugs through the ritual of robbery.

One phenomenon we have noticed in fieldwork that has contributed to and been an outcome of the trend toward franchising in the drug business, especially in cocaine

markets, is the disappearance of the ounce level distributor. This is not to say that ounces are no longer available, but rather, that the *price*-niche for ounces of cocaine has basically vanished. This phenomenon has also been noted by the DEA, who note that "Generally, there appear to be fewer middlemen in New York's heroin business than in the past. Investigators say that in some cases a seller is now only a step or two away from the importer" (National Drug Intelligence Center 2000:10). Where formerly the market was defined in terms of kilo prices, ounce prices and gram prices, there are now only wholesale and retail prices. Pro-rated kilo prices, for purchases as small as a few grams, have made it impossible to enforce an "ounce price" or for intermediate-level dealers to reliably find buyers for drugs which have been substantially cut. Traditionally, dealers at the ounce level would "put a one" (add an equal weight of cut) on an ounce of nominally pure⁷ cocaine, yielding two ounces of 50% "pure" cocaine. Some would "put a two" (tripling the weight) or even a "three" (quadrupling the weight). With large amounts of substantially uncut product available, dealers are afraid that cutting will turn salable product into an overly cut and thus unmarketable product. Of course, there is also less incentive to dilute the product because cocaine is considerably cheaper than in the past, an ironic result of the "War On Drugs." One result of this has been the elimination of the

⁷ It is important to remember that "uncut" and "pure" are not necessarily synonymous. Cost-cutting, incompetence or the exigencies of running a clandestine business often lead to the production of drugs at considerably less than 100% purity.

ounce dealer, who now provides a service—like so many other retail distributors, big or small—where they can arrange for customers to buy any denomination, including ounces. The ounce-level distributor who was an independent operator (often a freelancer) has now been displaced by the corporate exile working on commission, a position that brings with it considerably less profit and prestige.

Drug markets, credit and relationships

Credit permeates the functioning of drug markets as currently constituted, from the most impecunious “street”-type users, to middle class marijuana buyers who need a little help from their dealer to make it through to payday, to the highest echelons of the wholesale trade. There are many terms used for credit, which reflect the importance of credit in drug markets: “fronting,” “lending” and “borrowing” (meaning drugs, not money). Daily drug users who do not get paid on a daily basis often rely on getting drugs “fronted” in order to stave off withdrawal, escape or intensify reality or simply to maintain a desired mental state. Traffickers typically have a balance of capital resources which favors social capital (trust founded on reputation) over financial capital and thus must rely on credit to finance drug purchases that will pay for themselves many times over once credit is extended by the sellers (Jacobs 1999:28).

The role of credit in wholesale-level drug dealing is a result of high levels of demand for drugs, coupled with high availability of supply of wholesale quantities of drugs. The bottleneck in the market occurs at the middle levels of the market. Growers,

manufacturers and importers⁸, despite intensified enforcement efforts, face significantly lower risks of apprehension than middle level and retail distributors. In order to get their products to consumers, while insulating themselves from the risk of apprehension, traffickers at this level of the business need intermediaries between themselves and retailers. Because the work of a middle-level distributor is fraught with risks of apprehension, inducements to participation are often helpful. Offering goods on credit is one such inducement, and our observations and interviews suggest that credit is indispensable at every level of the market. One marijuana distributor talked about his experience with credit, and reveals the degree to which credit is critical to the overall functioning of the larger market:

I always got everything fronted, I would never bank [pay for] anything myself, that was my ceiling. I didn't want to have invest my money. It feels like the path of least resistance. I was paying about \$700 for a quarter pound [\$175/oz.], selling for like \$75 for a quarter ounce [\$300/oz.= \$125 markup]. For a few years, I got most of my weed at this place, it was a loft in Chelsea, people lived there but it was mostly a business. Two people owned it and there were maybe 5 or 6 people at the core. They pretty much sold pounds of herb or they would lend [front/give credit]. And there was this whole scene of kids that would get weed there, ride around in cars and come back with the money, just flipping Bs [pounds]. They were usually there from like noon to 4 am, but they really didn't keep hours, it wasn't that organized. They would usually have 2 or 3 different

⁸ Importers occupy a position which is functionally close to that of a manufacturer or grower because of the immense differential between the domestic market price and the source country price. As a matter of scale of profitability, importers reap rewards comparable to those of a manufacturer, not those of a distributor/trafficker.

kinds of weed at a time, a couple pounds of each. The most I ever saw there was maybe 20, 30 pounds.

Bottlenecks in the market for various drugs meant that distributors were just as eager to extend credit as they were to ask for it. Below, a rider for a marijuana delivery business talked about how an offer of credit for hashish led to a “sideline” business:

After a while me and this other guy started a side business. I was over at his house in midtown one day smoking weed and letting a couple calls build up and he showed me some hash, he'd give it to me on credit. Then I started making \$350 a day, between selling weed and the hash, it was an extra hundred or \$125 a day. Me and the other guy, we'd just offer it to everyone.

Violence, whether displayed or threatened explicitly or implicitly, is thought by many to be part and parcel of efforts to collect drug debts, but this is by no means universal, and indeed, the role of violence is greatly reduced in current markets. Rather, violence or threats of violence as a debt collection technique characterizes certain types of markets: anonymous public markets, especially corporate public markets where several “bundles” at once are put in the hands of often untrustworthy employees. In the current climate on the Lower East Side, the threat of withdrawing credit and thereby interrupting further access to product (“that nigga’s cut off,” as one distributor put it) is the most typical technique for enforcing these legally unenforceable bargains. In markets characterized by strong social bonding, the threat of ostracism is also a potent debt-collection tool. One Hispanic ecstasy/marijuana distributor, complaining about a customer who refused to pay him back, reveals his non-violent means of dealing with

these types of circumstances and hints at the degree to which credit is important to his business.

I tried fronting [ecstasy] a couple of times and actually had gotten this one person I know that just does not pay me for a tab and I was just like, "You know what, never again." I'd pay like twenty bucks for that tab. I want twenty bucks. Just because you forget now.... He'd be like, "Oh I forgot, I forgot." And I was like, "Okay." I don't think that I'm going to be able to get that money back, but I'm never gonna hook up that person again. He's not someone I see regularly. Every once in a while I bump into this person. That's one person that will never, ever get hooked up from me again. Basically it cost me twenty bucks to find out that this person is unreliable, so for twenty bucks I got a deal, I'd say.

CLASS FRAGMENTATION AND THE GENTRIFICATION OF DRUG MARKETS

This section examines one significant outcome of the changes that have taken place on the Lower East Side over the last decade: the increasing class stratification of drug markets. Drug markets have long been segmented in this fashion, and on the Lower East Side the existence of large street-level markets within or around public housing projects from the 1970s to the 1990s bolstered that perception, even though people from all sectors of society could and did buy drugs there. Indeed, some researchers have noted the degree to which smokeable cocaine, at least during the period when crack markets initially formed, was noted for the degree to which it allowed for the mixing of various classes, and it was this mixing of users from a wide variety of backgrounds (class, race and ethnic differences) that was initially crucial to the ambiance and the attraction of the drug (Hamid 1990, Curtis 1996). The notion that crack distribution and use is a

phenomenon primarily associated with low- and working class minority populations, however, is unlikely to stir much debate and the overwhelming majority of enforcement activities involving crack sales and use—as well as the preponderance of scientific studies of crack—have taken place in poor minority neighborhoods. Clearly, many middle-class people and whites have participated in these markets, and continue to do so (Rohde 1998), but there has been a precipitous drop in crack sales and use on the Lower East Side like the rest of New York City (Golub and Johnson 1997). The drug has not disappeared entirely, but those who continue to sell and use it are no longer doing so in a visible fashion, and indeed, the researchers were struck by the degree to which crack market participants were integrated into the social fabric of the neighborhood in such a way that they were virtually indistinguishable from their neighbors (see below). In making that shift, however, outsiders (both geographic and social) found it difficult to locate and access markets for the drug and often had to seek other places or means to get it.

In the current period, markets for all drugs are clearly diverging and the participants in the isolated or specialized sub-markets are becoming more insular, and demographically homogeneous within them, often involving fairly tightly-knit groups of distributors and users who have few interactions with participants from other markets. This is a phenomenon that we describe as the gentrification of drug markets. Middle-class consumers are probably the bulk of users on the Lower East Side at this point as the

demographics of the area have shifted, but even within their ranks users—as groups or individuals—tended to be highly segmented and compartmentalized. For example, the researchers interviewed dozens of professionals who used drugs to enhance the work performance. Among the trends common to these subjects were: task-oriented use, clandestine use, and specific drug tastes. Most of the professionals who were interviewed take drugs while working to maintain the level of professionalism they were contracted to perform. While few take drugs every time they work, intermittent use was frequent. For instance, a television cameraman reports, “When I smoke some weed I can focus. I just zone out on what I’m doing and actually enjoy taking pictures. If I don’t smoke it just becomes another job.” This cameraman does not use any other drugs while working, but sniffs cocaine a few times a year after a shoot. Very seldom he will take a very small hit of cocaine to remain focused when shoots run longer than anticipated or is particularly tired. Reports one print journalist, “When I’m facing deadline and am falling asleep at the keyboard a bump of cocaine is exactly what I need. Coffee just doesn’t cut it sometimes.” A managing editor at one magazine described her relationship between work, coffee and marijuana. “When I get in and have to read boards I just love that feeling of pot and coffee and sugar. I just kind of float through it. If I go in straight I get picky, there’s no flow.” Unlike many other users who use drugs recreationally with friends and acquaintances, the context of drug use by some professionals is decidedly non-social, and they generally do not associate with a recognized drug-using crowd. For them, the

compartmentalization of drug markets fits nicely with the place that they have assigned drugs in their everyday lives.

Other examples of the class fragmentation of drugs markets include, at one end of the social scale, the methadone and pharmaceutical markets that catered to an enduring cohort of aging hard drug users; at the other end were many of the delivery businesses that catered to “exclusive” groups of customers who kept their distance from other types of users. “House connections,” too, were often extremely selective in whom they sold to, and many catered only to the well-heeled or the well-connected gentrified drug consumer. For example, among the house connections for marijuana, the study found that most of them had been in the business for many years, were highly security conscious and essentially completely unwilling to take on new customers. Only one was willing to be interviewed extensively. Of the nine distributors of this type we were able to contact, eight were male, one female; three were black, two of Middle Eastern descent, the remainder white; all were native New Yorkers. None reported any law enforcement contacts or arrests and all reported a high level of fear of robbery. Two had been victims of harrowing home-invasion-style robberies and all knew of fellow house-dealers, in this and other neighborhoods, who had been robbed. The advantage of the fragmentation and gentrification of markets for drug users is that they are much more sheltered, but they generally have fewer options for buying drugs. From the distributor’s perspective, security is enhanced, but this isolation makes it difficult to increase sales by adding new

customers, and over time, the dealers tend to have fewer options available for buying supplies, often becoming dependent upon a lone wholesaler.

The declining prevalence of crack

Crack sales and use were never as popular on the Lower East Side as they were in other parts of New York City, but crack continues to be sold and used there even if it has become virtually invisible. Daily crack users who live in the area appear to have no problem getting the drug, but occasional users, users from outside the neighborhood, or those who appear as though they do not “belong” to the crack scene find their access is extremely limited. One African-American multi-substance user who frequently smokes crack, talked about how dramatically the scene had changed from a few years earlier when dealers were soliciting strangers on the street to buy crack:

Oh shit—you better know somebody, Son, if you want to cop [buy] down here now. A person like you would get a person like me to go and cop for you—that’s how you would do it. Otherwise, don’t try that stuff out here—you approach the wrong person, you could get beat or get beat down, Son—you just can’t do it like that—like back in the day—you can’t do it like that no more.

Crack sales, like most drugs in the neighborhood, are increasingly done via house connection or personal contacts, and users are, in many ways, more indistinguishable from other neighborhood residents. As crack distributors and users have become more embedded in the social fabric of the neighborhood rather than starkly visible in the street, the appearance is that crack has disappeared on the Lower East Side. Clearly, however, it

has not. For example, Sabrina, a woman in her 30s who is enrolled in a methadone program in the area, recalled an occasion when she smoked crack in her apartment and around her building. What differentiates her account from those of crack smokers who were active during the 1980s and 90s is the degree to which she describes a life that is unremarkable in so many ways: her drug use is concealed not only from the police but also from those closest around her, a feat that many once thought was impossible because of the compulsive behavior thought to be an outcome of using the drug.

I came back to my house. I went upstairs to my room. And ya know, I don't like smokin' in my house—I don't even smoke cigarettes in my house. But me, I wanted to sneak—I put the fan on—went towards the window. I put it in the stem, took the pull—ooh, this is good! I put it away—my father called me for something—I put it away. I said, “Uh, uh, that is good!” I start to cleanin' up—to start to movin' around the house. I said, “Look it, there you go.” But as I'm cleanin' up I picked up one of my books. I read a couple a Scriptures and I got on my knees and started prayin'. Then I got up, I went in the bathroom, I washed my face—'cause I started to sweatin' and perspirin' 'cause I was nervous thinkin' “I'm gettin' ready to start, I'm gettin' ready to start.” I said, “No, just let me get out the house, lemme get out the house.”

So I just went to the store and bought me two little cigarettes. Came back across the street. I said, “Um, there's ten dollars I'm thinkin' about now,” ya know. I knew I had to have three for my carfare to come to the program the next day. So what did I do? I walked my butt all the way over to the other side so I could get nickels. Okay? So as I go over there to get this nickel.... I went and smoked that nickel real quick—went in the next buildin' I make like I'm goin' in the buildin' to visit somebody. Pushed for the elevator—people in the lobby I didn't want them to know nuttin'—so I went in the elevator and nobody was in the elevator with me. Puffed that real quick. Went back down the steps—went back down the steps! Got off the elevator on the third floor—now this is a building that I don't live in—so I went back down the steps. Came out the building,

started walkin' towards my buildin' again. And as I'm walkin' I'm thinkin' "Oh Sabrina, man, you're messin' up big-time." Here comes my Bible teacher. I said, "Well, God must've heard one a my prayers this mornin'"

Like Sabrina, many crack users and distributors managed to embed their activities in the fabric of the neighborhood in ways that made them virtually invisible, but a small segment of the crack using population continued to participate in buying, using and income-generating activities that attracted attention. In uptown Manhattan and in some of the outer boroughs, crack markets were often accompanied by robust markets for other illegal sector goods and services. In Brooklyn, for example, chop shops and scrap metal yards were booming businesses in neighborhoods that featured large street-level crack markets. On the Lower East Side, some crack users fueled their use of the drug through sales of stolen goods or other contraband, but these activities, though visible, were modest as compared with these types of activities present in the outer boroughs. One long-term multi-substance user, complained about how difficult it became to "hustle" on the Lower East Side over the last few years, but his description of the "good old days" leaves the impression that street-level crack users on the Lower East Side were always constrained by limits on their income-generating activities.

It was much easier to get money back then because we used to go around and look in the garbage and find clothes or things that people throw away. You could take it right there, like on St. Marks. You would take your clothes or whatever you find and just lay it out in the street and people would walk by and actually shop and buy it, you know. And people used to buy those things. And we used to take that money and buy a little

crack—mostly crack—one thing that everybody was usin' then. And you have the guy that sell the crack—he be like walkin' around, you know—and he right there. So when you get enough money to buy some crack—boom—you buy it from him. Boom, take a little hit and get high right there. It was awright.

Today, as far as lettin' people like myself—makin' a little bit a money—to me [the neighborhood] is not better, you know. But to somebody else that's doin' good—somebody workin' on Wall Street, they got money, they don't have to stoop to the level that I would do to get money—to them, it might be better. But to me, it's more fucked up now, you know. See, 'cause like to be honest wit' you, this year I think I went to jail about seven times, ya know—six or seven times already—this year. And all for bullshit—little petty bullshit, ya know—jumpin' the turnstile, vending without a vending license, counterfeit sellin' bootleg CD's and shit like that, ya know. And domestic dispute, observed buyin' drugs—I'm gettin' into details—possession, ya know.

In venting his frustration about how difficult it had become to “hustle” on the Lower East Side, Earvin reveals how street-level activities have become increasingly visible to the police. Having been jailed “six or seven times already” [Jan-Aug 01], he felt targeted.

When I want to cop something, I got certain people I deal with so I can get my shit. And I try to make sure it's correct, ya know. I'm not tryin' to go—like I say—go to jail. I gotta couple a Chinese people I deal with, ya know and they give me something that's legit compared to the bullshit they sellin' out here as far as sleepin' pills and all that shit. 'Cause out here they sellin' you anything these days—they sell you rat poison and tell you it's dope, you know what I'm sayin'.

Me—basically, I been fuckin' with drugs so many years that you ever hear that saying, “You get tired and fried.” And no matter how tired I get, I'm always findin' a way to get back into it—and I'm really tired a gettin' high, I'm really tired of it, ya know. But it's just like they say, no matter how far you go, you're always gonna run into it. It's just—I guess I don't know how to say no or you know. Mostly, I do heroin, crack—I still smoke every now and then, ya know—a speedball every now and then.

Street Survivors: the persistence and social isolation of pharmaceutical and methadone markets

The street-level markets least affected by the changes that took place in the neighborhood over the last decade have been the markets for diverted pharmaceuticals and methadone. Indeed, sales in these markets have increased over the last few years as many long-term and/or hard-core users can no longer afford to maintain heroin, cocaine or crack habits, and these drugs have increasingly been used as substitutes when users cannot find or afford the drugs that they would prefer to use. One reason why these markets have been so unaffected by the larger, neighborhood-level changes that have transformed others is that the participants in them are so socially isolated and they form a relatively self-contained scene with its own rules, logic, and timing. One heroin/cocaine user and part-time dealer who is a client at a local methadone program describes these markets that have persisted while others have largely disappeared.

Mostly everybody can't sustain a big [heroin] habit. They're boosting [shoplifting] on the side, and other small shit [to make money]. They're doing a lot of pills and meth [methadone]. Most of them don't have what I call dope [heroin] habits anymore. They get high when they get a chance. Xanax, or sticks as they call them, are the crowd's favorite...Percocets, and stuff that will give you a "down head." Most people buy it off the street from guys who get it from doctors who write them scripts. Once a month, they get like 90 pills. They get five bucks apiece for them. They pop them with the meth and a cup of coffee. The customers for the pills are people from the [methadone] program, but many of them have their own clients too. There are white guys selling them too. In fact, they're the biggest sellers of pills around here. They're mostly guys in their 30s and 40s. Mostly whites and Latins buy them, but a few blacks too. The market is an all-day thing. There's always some wheeling and dealing going on,

but the busiest time of day is 11 in the morning to 3pm. That's the main time that people cop their meth, and they meet these guys afterward.

When street-level transactions dominated heroin, cocaine and crack sales in the neighborhood, local drug users, including methadone program participants, found employment with the many corporate organizations that operated on the Lower East Side, but as these businesses closed, workers found their daily routines dramatically altered. Many trace their decline in heroin use to this period. One former heroin seller and current methadone patient noted that,

There's no shootin' dope⁹ down here—every once in a blue moon you find someone who wants you to buy a bag. You wanna sell it to him, you sell it to him. Now you see, what's happenin' to me here—the pills are startin' to hit—the pills have hit me now with the meth. I have a time schedule. Twenty minutes before I get my methadone I eat my pills—it's like a ritual, right. Oh, the pill business is boomin'. Yeah, you use the Medicaid so you can only use your script [prescription]. Your Medicaid card can get the pills only once a month, otherwise they'll catch up to you and put a restriction on ya. So what you have to do is go to different doctors. And nobody wants to give up a doctor [to their friends], 'cause the more doctors you give up, the doctor's sooner or later gonna get busted and turn youse all away. So everybody holds onto their doctors like it's their wallet.

Besides a clientele, like Mikey, that has been forced to substitute one drug for another, there are other features that distinguish these markets from the ones they largely replaced. In particular, the pharmaceutical and methadone markets are almost strictly freelance

⁹ "Shooting dope" refers to heroin suitable for injection (as opposed to sniffing). It is a common complaint from older heroin users that heroin currently available in New York is unsuitable for injection.

operations, and because of the way in which dealers must acquire their limited supplies, organization among the distributors is virtually impossible to coordinate or sustain. These are likely to remain freelance markets whose established and inward-looking participants have few enduring links to other markets, except as occasional buyers of small amounts of cocaine, crack or heroin. Moreover, it is interesting to note that, in this marketplace, the dealers with the greatest influence are those with the best access to drugs, and the fact that they are all white (reversing the usual ethnic hierarchy that characterizes street-level drug markets) underscores their greater access to and use of health care resources.

Many users who participated in these socially distinct markets cobbled together a mixture of heroin, methadone and various pills to tide them over from day to day. Far from the out-of-control drug user that was emblematic of the 1980s, these drug users found their days extraordinarily structured and predictable. In addition to becoming much more varied in their consumption of drugs (mixing and matching many combinations), many hard core users found that they had to employ a similar strategy to make money:

I have a routine—a set routine. At nighttime I put everything out I need in the morning. I do my cleaning—all that shit and all that stuff, shower and shave—I do all that shit at night. I wake up in the mornin', I can be outta the house in ten minutes. I get a cup a coffee out by the train. I usually try to buy one pill ahead a time so I don't gotta go 'round lookin' for a pill 'cause I like to take 'em at the same time. Did that—had one pill ahead a time, 'cause I borrowed it from yesterday 'cause somebody paid me back. And then I came here. After that, I started walkin' towards—up by Police Plaza—and past it, up there. Walkin' into like Rite-Aids and stuff, lookin' for Visine and baby milk [to shoplift]. They could have all the alarms on 'em and they don't go off, 'cause it's metal and it doesn't correspond with

the machines. Over on the corner here I get two dollars a can. So I hit every store for four dollars—four cans—I go to five stores. I don't do more 'cause I don't wanna get in trouble. Five stores is twenty dollars—that's one bag [of heroin]. I walk around some more. Do it again. If I really needed something I might take six—and get it over with quick. Now I got my thirty-five or thirty-eight dollars—I got that money. Then, on the way home, I stop—in Queens—spend two dollars to buy like a rice pudding or something and go buy some—I have a microwave at home—go buy something to eat. Maybe if I had bread and go get the best meat—so burgers and stuff like that—so I go home and cook that. Then, I either wait for customers to come or call them up, get my two bags [of heroin], watch television till three o'clock in the morning—*Star Trek's* my last thing—and go to bed. Wake up in the morning with the alarm clock—I told you again, everything is laid out. I just get up, boom, go in the bathroom, refreshen up and all the clothes are set. All the pills are in the pocket—if I have any—the money's in the pocket. There's nothin' I forget.

This user had settled into a routine that allowed him to predict, with considerable accuracy, the combinations and amounts of drugs that he was likely to consume on a daily basis. Even though he continued to use a couple of bags of heroin daily, he could not generate enough cash to allow him to use at a level that might have once been possible in the neighborhood. As such, he supplemented the heroin with various pills and methadone. Many of his peers, however, acknowledged the futility of trying to maintain a heroin habit in the current climate, and were content to allow the state (through Medicaid) to take over that function through the use of pharmaceuticals. For example, one pharmaceutical/methadone user said that he had given up his long-term heroin habit:

No, I'm not dibbin' and dabbin'[engaging in occasional use of heroin without having a "habit"]—I take a blast once and then, ya know—cool my nerves, and to relax. And maybe a beer. But the hard drugs—I don't

take 'em because ya know, number one there ain't no drugs like it used to be out here, you know. If you want dope—and it's stupid to want dope anyway when you on a methadone program—that's just a waste of money, ya know. I see all the people, "Where's the dope, where's the dope, where's the dope." I don't need that—where's the dope that kills them? [laughs] How you wanna have dope that kills them? It ain't like that no more. There's no dope down here and the best thing is get on a program man—people wastin' money like crazy. It's not worth it man.

Technology, social class and drug markets

Since at least the mid-1960s and lasting well into the 1990s, the drug business on the Lower East Side appeared to have changed little. For example, many of the features of heroin markets described by Preble and Casey (1969) in the late 1960s—the ubiquity of street-level transactions, the domination of vertically organized businesses, the proliferation of well-defined roles in the drug business, the standardization of product packaging—remained virtually unchanged well into the mid-1990s. Like other businesses, however, the drug business has also been responsive to the latest technological innovations, especially over the last 10 years. Advances in communications and personal computing have been particularly important to shifts in drug markets and the researchers have observed a number of important changes in this area. The late 1980s saw the introduction of pagers to the drug business, but they were initially used primarily to allow distributors to communicate with each other. Somewhat later, in the early 1990s, the use of pagers to allow customers to contact dealers became more popular, but it was not without problems. For example, on the Lower East Side, and many other

neighborhoods around New York City, public telephones were used by customers to page dealers when they were nearby, thereby allowing them to arrange for a location and/or time to meet. When law enforcement realized that public phones were being used to conduct drug transactions, phones in particular areas were blocked from receiving incoming calls. This made paging a distributor from a nearby payphone virtually impossible since the distributor would not be able to call back to make plans with the customer. The exponential growth of cell phones in the mid-1990s—especially once cell phones and phone service became a highly competitive business, and falling prices made them accessible to many New Yorkers—made public telephones, and to a much lesser degree numeric pagers, somewhat obsolete in the drug business. Prepaid cellular service was especially popular among drug dealers since it was available to those who had bad or no credit and had the added advantage of allowing dealers to avoid leaving a paper trail that could be followed by law enforcement. Even with the benefit of anonymity that prepaid cellular service seemed to offer distributors, many of them continued to be wary of relying too heavily on technology. Below, one dealer worries about the false sense of security that the new technologies offer:

Everybody's leery about selling right now. Everything is going on inside now. Inside—beeper, shit like that. Cell phone. And even that's startin' to be a trap now. Yeah, 'cause [the cops] startin'—they got a way of monitorin' them shits now. They got these vans that be parked in different locations, you know what I'm sayin'—and it picks up their conversation. It gets all through that Web [internet] shit, you know.

Though law enforcement officials are concerned about the potential for the internet to be used as a tool to coordinate retail drug sales, we found no distributors who were using it, or who planned to use it, to establish or maintain business contacts with their customers. As might be expected, the computer was used for record-keeping and other menial tasks, and the researchers even documented an example of a computer-generated image that was printed and taped as a "stamp" on retail bags of heroin; however, with one notable exception (described below), the researchers did not find that computer technology was used to facilitate drug sales.

The class segmentation of markets has been facilitated by technology that makes it easier for relatively closed groups of dealers and users to maintain contact with each other while excluding others. At the same time, there is also evidence that technology can also be used to bridge the gaps of race, ethnicity and class that have grown so pronounced since drug markets moved off the street.

As drug sales moved off the streets and buying drugs became much more dependent upon personal connections, the ability of white or middle- and upper-class drug users to buy drugs from dealers who lived in the public housing projects was substantially diminished. To compensate for the disappearance of these anonymous markets, many users who did not live in the area, but at one time bought drugs there, began to develop personal connections for a variety of drugs. Several white, middle class heroin dealers who began selling in the late 1990s saw their business increase over the

duration of the project, and they developed a stable of steady customers. Like their customers however, these dealers (who were invariably users themselves) also had rather limited access to wholesale supplies, often relying on a single source to buy “bundles” or “packages” once or twice a week. While their wholesale suppliers proved to be quite reliable and the quality of the heroin fairly steady, it was difficult for these white retailers to make much profit, often earning just enough to sustain their own habits, but not much more. As such, they were often eager to find less expensive sources of heroin, but because markets had grown more separate and the participants more distrustful of each other, this was usually difficult to accomplish. In one instance, Bobby, a white heroin dealer asked one of his customers for assistance in finding another source of the drug.

A very weird thing happened to me yesterday. Bobby was complaining that he can't make any money because the dope from his connection is too expensive. Since he knows that I go to Harlem to cop sometimes, he asked me if I could hook him up with someone up there. I told him that I'd ask this kid up there who might be able to do it. So later, when I went uptown, I ran into this kid, Pablo, and told him that I had a white guy downtown who wanted to buy an ounce or so of dope and asked him if he could hook him up. Pablo said, “maybe I can help him out.” So, he says to me, “we gotta go uptown,” and he flagged down a cab and we jumped inside. On the way uptown—I had no idea where we were going—he asked me if I had ID. I thought that was a weird question, but I didn't really think about it at the time. We got up to 161st Street, near Riverside and Pablo took me to the second floor of an apartment building. When the guy answered the door, I was surprised to see all the computer equipment inside. Near the front door, they had a computer station set up, just like an office. There was a guy sitting behind the desk and he told me to sit in the chair on the other side of him. This was too weird, I thought. I wondered whether Pablo had misunderstood me. Maybe he thought that I was looking for a job because the place he brought me to was set up like an office and the

guy across the desk started to interview me like I was applying for a job. At one point, I turned to Pablo and asked him, "You know I want to buy dope, right?" He said, "yeah, I know." The guy at the computer gave me about a half-hour interview. He wanted to see two forms of ID and even asked me my mother's maiden name, all kinds of questions. When he was finished, he said, "We'll check this out and get back to you." I got back into the car with Pablo and drove back downtown. He told me that if everything checked out ok, they guy would call me back and then we could do business.

The outcome of Bobby's request underscores the segmentation that currently exists within the market and the difficulties that wholesalers, retailers and users have in conducting business with each other. Given heroin's stable price and purity, it is obvious that there is ample supply of heroin in New York City, but changes in the social and technical organization of distribution have created bottlenecks in the market so that demand is never satisfied. Even though they do not ensure safety, personal connections are nearly axiomatic for those who participate in these drug markets, but reliance upon personal connections is a difficult way to build a customer base. The use of high tech methods to screen potential customers is an explicit recognition of the often ephemeral nature of ties between users (in this case, heroin users) and signifies an attempt by businesses to reduce their reliance upon recommendations from existing customers as a precondition for participating in the market.

DEALING AS LABOR

Motivations of distributors

Through an examination of the motivations of the distributors in our sample, this section explores the allure of drug-dealing as a form of labor. While the financial aspects of drug distribution have been the subject of much lurid attention from the media, few get rich selling drugs. As in the non-criminalized economy, workers are sometimes subject to savage exploitation. On the other hand, dealing offers young workers many things legal jobs don't: autonomy, responsibility, "respect," the excitement of "getting over" on the police. Few non-criminal entry-level jobs offer an opportunity for decision-making or rewards for thinking, but rather reward conformity and docility. By contrast, a young man who can think of new ways to outwit the police is likely to win the adulation of his peers and immediate financial rewards. In drug dealing, alienated youth hope to find a way to make money, while remaining aloof from forms of employment which do not accord with norms and values which are important to them. They hope to find work which embodies and flows out of their sense of identity, a form of labor which at least seems to transcend the alienation which characterizes most working-class labor.

Few studies have dealt with drug dealing as a social formation: most of the existing literature is concerned with eradicating distribution, not understanding or contextualizing it (Curtis and Wendel 2000). Understanding of the social realities of drug use and distribution has been further skewed by the criminal justice data sources employed by most studies. Because criminal justice in the United States is so heavily color-coded, such data sources, and the studies that derive from them, hugely overstate

the participation of minorities in drug distribution and hugely understate the participation of whites, particularly those of under-arrested social groups. It allows white middle-class Americans and the criminal justice system a comfortable distance from the "problem of drugs," by fostering a stereotype of drug dealing as something people in ghettos do, as a problem which can be policed away.

Recent American criminology has become dependent on number-crunching: seeking correlations between various factors which seem related to crime: race, class and so on. Causal explanation need not be the sole interest of criminologists. An entirely different sort of theory may be required to explain the living reality of crime. Such a theory will focus on structural factors leading people into criminal behavior, while avoiding the trap of determinism by giving free play to human agency, decision making, and indeed stupidity. Ethnographers, who spend extended amounts of time with the people they are researching, are better positioned to get at information about the meanings and motivations attached to criminal behavior by active offenders themselves

Katz, for example, in his discussion of the seductions of crime emphasizes crime as an exciting activity and as a project of self invention (Katz 1988). The criminal reconstitutes himself as the hard man, the gangster, the outlaw biker. Ferrell approaches study of those behaviors which society sanctions as criminal, by examining the experience of criminality as collective social activity and thus as culture. Maher (1997) has argued that criminal cultures largely reproduce the sexism, racism and class structure

of “legitimate” society. Maher spent two years in ethnographic observation of women’s roles, as sex workers, drug distributors and users in Bushwick (Brooklyn) and analyzes the ways in which the world of criminalized labor reproduces the stratified relations of the races and the sexes in the dominant political economy (Maher 1997).

In one of the few studies of dealers who were not poor or working-class inner city minority group members, Adler’s ethnographic work examines the lifestyles and motivations of a group of smugglers and high-level distributors of cocaine and cannabis. She concludes that their dominant motivations are materialism and hedonism (Adler 1985:97). Of the two, Adler says that hedonism is a “more compelling” reason for participation in dealing than material rewards: “Southwest County drug traffickers pursued a lifestyle filled with the pleasures of unlimited drugs, sexual promiscuity, personal power, high status, freedom, risk and excitement.” (Adler 1985:98) Adler also discusses the importance of a dealer’s reputation and ranking in the “prestige hierarchy.” (Adler 1985:99) The determinants of this ranking she mentions are: Character- integrity, generosity, not being greedy, reliability, self control with regard to drug use and physical courage; Business acumen: business sense, technical knowledge (including knowledge about the product), connections, ability to collect debts, good judgement as to people and good money management skills; Avoiding the law (Adler 1985:100-118). Adler discusses two primary ways that people become involved in dealing: through selling to support personal use, who entered the trade at a low level, or through social acquaintance

with successful dealers and observation of their allegedly glamorous “decadent” lifestyles, who entered the trade at a high level (Adler 1985:123-28).

Willis (1977) seeks to explain how working-class youth both create and learn to accept their place in society. Attitudes towards school, masculinity, authority and work are explored in this ethnographic work. Willis’ analysis of how working class kids make choices in the labor market emphasizes the importance of: the values of the informal group of peers; a sense of insider knowledge of how the world works; fast easy money, needed both to finance sub culturally mandated consumption, and to contribute to the sense of knowing how the world really works; excitement; opportunities for masculine expression (“A trade is judged not for itself, or even for its general financial return, but for its ability to provide the central, domestic, masculine role for its incumbent” (Willis 1977:150)); and most importantly cultural identification with workmates (Willis 1977:96). Selling drugs sounds like the ideal form of employment for a person who shares the values Willis discusses. Dealing offers ample fulfillment to all the categories of needs he discusses and additionally the excitement of “getting over.” Willis’ analysis of how working class British youth “damn” themselves to lives of manual labor finds a grim parallel in American society. Black and Hispanic youth “damn” themselves to lives of crime because in later life they are locked into attitudes and decisions forged when they were teenagers or school children. In many inner-city communities, crime and drug dealing were the only growth industries during the 1980s and early 1990s. A young man

raised in such a neighborhood, rationally analyzing the structure of opportunities facing him, could reasonably conclude that affiliation with an established drug dealing organization or freelance entrepreneurial drug dealing were among his best option. As young white men in the 19th century were urged to “Go West, Young Man” to seek their fortunes, during much of the last 30 years society seemed to be urging young black and Hispanic men to “Go Bad, Young Man” in pursuit of the same goal.

Over the last several decades, a number of researchers have examined the motives of drug distributors (e.g., Adler 1985, Anderson 1999, Bourgois 1995, Jacobs 1999, Johnson et al. 1985, Reuter et al. 1990, Williams 1989), but, with the exception of Adler, they have tended to focus primarily on young minority populations. For example, in discussing the mostly black freelance street sellers in St. Louis, Jacobs, like most other researchers, found that “[c]rack dealing emerges for many as the most ‘proximate and performable’ way to meet immediate financial needs” (Jacobs 1999:26). While he stresses that “[o]n the streets money is everything,” Jacobs also says that “income from crack sales is almost never as high as sellers report it to be” (Jacobs 1999, 27). He says, however, that most dealers “lack the cultural capital necessary to engage in legitimate business” (Jacobs 1999:28). While few are surprised by this finding, and indeed this research found similar motives among young minority dealers, we also found similar motives among white, middle-class distributors. As two white freelance distributors commented:

It starts with doing favors for friends, but it's a capitalist society, that's the way we were brought up, thinking well if I'm going to do this I should make money from it, but we never *decided* to do anything, deal.

I'm 24 years old and I'm making more money than my father, who has a very good middle-class job. Of course, *he* pays taxes. I have a file drawer full of money wrapped up with rubber bands in bundles of a thousand.

It turned out dealing was the middle-class dream job, something I was really good at that paid well. My parents told me to find something I was good at and do it. So I sell drugs. Since I was dealing to other middle-class college kids and yuppies, it never really occurred to me that I was a criminal for years. It just built up and built up.

A bunch of my friends worked as moped messengers, so I started doing that and so did this other kid, about my age, Bill. We switched to bicycles after a while. We started selling weed together. At first, he was my assistant, but not wanting to in a hierarchy over him, plus he was my friend, so he became my partner.

In the past, many black and Hispanic youth worked for vertically organized corporate distributors, but this has changed: the social organization of drug distribution has been altered, under the influence of profound changes in youth subcultural values (Curtis 1998), as well as policing practices and gentrification (Wendel in press). Today, many black and Hispanic youths are freelance distributors or sell as part of a socially-bonded group (Curtis and Wendel 2000), and considerations of autonomy have become more important to the members of these groups. Jacobs also stresses the importance of autonomy: "[t]he cultural ethos of the street corner renders any form of subordination unacceptable" (Jacobs 1999:32). In some ways, the transformation of the corporate style of distribution offers much more opportunity to find autonomy. Where franchising

defines the relationship between the owners and their retail labor force the issue of autonomy is deceptive. Franchisees are not, in fact, entirely autonomous from their suppliers, but given that they no longer have managers watching their every move on the street, they are able to maintain the appearance of being one's "own man." Williams says that dealers climb the career ladder through "hard work, skillful, intelligence and a little luck," as well as an ability to handle money, limit cocaine use, "deal with buyers, and control a weapon" (Williams 1989:45). He says that teenage dealers are expected to "act like sales people in any business," limit drug use, "keep accurate records and avoid arrest" (Williams 1989:8). One owner of a corporate delivery business commented about the need for professionalism:

They [previous management] were just totally unprofessional. They [the workers] didn't get the job done, because there were very few people who took it seriously, who actually worked at it. Just people that were like "Yeah, I got a job I can sit down and get high with." I didn't, you know, I took it seriously. That's the thing, man I'm telling you. I'm sure there's better, better product elsewhere. I'm not sure, sometimes we do pretty good too. But and I'm sure you can get better deals, but I mean the fact is, is like, I mean it gets there on time, we show up.

A worker in a delivery service also talked about the need for professionalism on the job that is peculiar to this business:

One company I worked for would bum out if I looked too grungy. The customers would complain that it seemed suspicious that I was coming into their apartment and leaving so shortly afterwards, week after week. The whole thing in the lobby is on a million cameras, it makes you totally paranoid until you realize how small a scale you're dealing with, and how many people live in buildings that doormen don't really care about, how

many doormen there are in the building and how they work on different shifts. One way I deal with people who get their weed the same time every week is to have them tell their doorman that I work for whatever company they work for and say I have to drop the weekly reports or some shit like that for them to check on. Pretty soon I become a part of the scene, I even develop a little 'hey how ya doing' thing with some of the regular guys. That's another reason it's better to work with a small company. The bigger companies have a lot fuck-ups working for them who look like fuck-ups. People with real nousey doormen should know to meet the delivery guys somewhere else. If you dress normal though, and don't look like a messenger nobody will notice you. That's how the real smart dudes operate. If you wear a tie you can go anywhere in the straight world without attracting any attention, if you got a tie on some of the places I go everyone thinks you're a cop.

Williams argues that teenagers are drawn into drug dealing "simply because they want jobs," but also they are "pulled by the flash and dazzle" and "pushed by the desire to 'be somebody'" (Williams 1989:8). In addition to the financial rewards, Williams argues that "another strong motivating force. . . is the desire to show family and friends that they can succeed at something. Moving up a career ladder and making money is especially important where there are few visible opportunities" (Williams 1989:10). Aggressiveness, intelligence and cunning in the face of danger and risk—masculine "virtues"—are also important (Williams 1989:55). Williams also notes that successful dealers enjoy high status on the street (Williams 1989:102), in contrast to those "lames" who work in legitimate employment" (Williams 1989:103). Jacobs says that on the street "[c]rack revenue is valued first and foremost as a means to achieve respect and status where these are companion qualities and, literally, are worn on one's sleeve" (Jacobs

1999:29). Jacobs denies that crack dealers are drawn into dealing by “feelings of excitement” or “joys of hustling and getting over,” because, he says, selling drugs is “overwhelmingly boring, tedious, and routine” (Jacobs 1999:34).

Many dealers of all ethnic backgrounds in our sample continued dealing (at least part-time) even when they had non-criminal work, including quite well-paid work. This would seem to argue that there are motivations which transcend the simply pecuniary.¹⁰

As one white dealer told the researchers:

There’s just the whole James Bond thing, you know. Walking by a cop with a shitload of drugs on you and he has no clue. It’s fun. Or walking by these pathetic yuppies and you’re thinking I have \$20,000 on me and you’re kissing ass in a suit.

Williams notes that “[m]ost of the kids are users as well as dealers” (and thus importance of limiting consumption) (Williams 1989:8), and describes levels of consumption of cocaine, alcohol and cannabis which would likely prove unacceptable in many more conventional workplaces. The dealers Jacobs studied claimed to rigorously avoid crack, but were enthusiastic consumers of alcohol and cannabis (Jacobs 1999:38).

Many of the dealers in our sample were similar:

I basically got into dealing through wanting to smoke more than I could afford to buy, it was never a decision like Oh I’m going into business. In

¹⁰ It might, of course, be argued that these dealers were simply supplementing their legitimate incomes by “moonlighting” in the (lucrative) underground. However, both the fact that many dealers do not in fact make all that much from dealing, coupled with the many comments from dealers which clearly indicated their love for “the game” serve to amply contradict this interpretation.

8th grade, I'd buy an ounce and sell 3/4 of it [to break even], that was usually the rule. The weed I would get, like Colombian gold, delicious buds for \$40 an ounce, I would sell quarters for \$15 or make 6 dimes out of an ounce. I sold just to friends in school.

The discounts is a good thing about the job, I smoke a lot of pot. You can take drugs or have beer and not have to worry about the boss getting pissed.

We were messengering during the day and mostly selling weed at night. We were doing a lot of acid too, there was a time when we'd do a tab every day at 3, so it would start to come on at about 4 for the last hour of work and then we'd be peaking at about five.

Jacobs says that "crack selling offers" leisurely "and more profitable work in which offenders can determine their own hours, work patterns, and related occupational habits" and that the requirements of "a normal job" "are not acceptable" to the people he studied (Jacobs 1999:33). These themes resonated with our sample of dealers too:

The hours were good, 2 to 9 is good, you have time to get home be out in a bar by 11:30. Not having to be in the same place all day, you can dress how you want, I mean I never had a job with a uniform, [when I work in] catering I drive a truck, I'm not a waiter. You can do what you want when you want. The customers, 80% you could tolerate, 10% were really cool, 10% were just rude, paranoid and rude. They expect the same service you'd get from a five star restaurant that delivers. They'd bitch at you if were over thirty minutes getting there. It's a service, it's not a right of life. The owners, they were much better than most bosses, Harry wasn't really a boss, it wasn't like that. It was more what do you call it, camaraderie, they just made a lot more money than we did. The other people, on occasion we'd hang out, go to a bar. Dick I'd see almost every night in this one bar, punk rock bar. Jack I'd hang with at Ted's, do drugs.

I mean fuck, sleep 'til noon, start answering the phone whenever I feel like it, what's wrong with that? I can dress however I want, haircut, tattoos, whatever and not have to listen to any shit. Sometimes I get bored, I sit

and shoot beer cans with my air pistol or listen to really loud music. Or just get high...

Widely disparate outcomes, which we argue are largely determined by race, follow on the decision to enter into drug dealing of youths of a wide variety of class and ethnic backgrounds. The criminal justice outcomes experienced by the white drug dealers who participated in our studies can be simply summed up: by and large, there were none. In a 5-year study of heroin distribution and use in New York City that the researchers began in 1996, only one white dealer in the sample was imprisoned. Only one of the white dealers who participated in the current study was incarcerated during the study period. By contrast, the black and Hispanic dealers who participated in the two studies were almost all veterans of one or more prison "bids" or were arrested or imprisoned during the study periods.

The negative consequences of participation in drug distribution for white dealers were not those caused by the criminal-justice system. Rather, white dealers often mentioned how difficult it was to "leave the underground" and re-enter the world of un-criminalized work. There were several reasons for this. First, they mentioned the difficulties inherent in leaving self-directed work and working for others, sometimes for the first time in years. Second, they often made considerably less money after ceasing drug distribution. Profits in the drug trade can of course be considerable, and persons who entered into drug distribution because their only alternative employment opportunities

were routine, menial and tedious were likely to find that their post-dealing options were remarkably reminiscent of those that led them into dealing in the first place. Whatever entrepreneurial and practical skills dealers gained during their tenure in drug distribution are largely undocumented and hardly the stuff of which successful resumes are made.

Third, a person who has supported himself exclusively through his distribution activities is likely to have long gaps in his employment history, gaps which cause prospective employers to look askance and render reentry into legitimate employment all the more difficult. Still, there are pressures to get out of the business:

Paranoia got to me and I was burned out too. My wife didn't want me doing anymore either. You're out there every day doing the same thing, people get to know you, they know what's going on, doormen... it wasn't comfortable. Was I more afraid of getting busted or ripped off? Neither really. I guess both. It was just getting to me. I didn't want to be looked at every day like that. That's all they think of you as, the pot guy, and I'm more than that. I was sick of it. Paranoia was there but it was more people thinking of you as just the pot guy. I'd rather be known for playing music than delivering weed. I'd do it again if it was absolutely necessary, but not here in New York, I don't need it, I have a good job. I'd recommend it to some people, if I had a friend who was looking for work and it was the right friend. It's a great way to learn New York, it's an easy way to earn a lot of money. It needs someone with a carefree attitude about life. Someone who just does things because they're there. Rules don't apply to a lot of people, rules are made to be broken and they're broken everyday, like my father always said. Someone who knows that...I'm moving back to Arizona, my wife Sylvia is finishing grad school and she has a lead on a job out there.

Having entered into a life of drug dealing for quite similar reasons, white youths and black/Hispanic youths face widely different outcomes. Racial profiling leads to

blacks and Hispanics being arrested at rates which are highly disproportionate to their rates of drug use, and, this paper argues, participation in drug distribution. In addition to this far greater risk of arrest, black and Hispanic drug dealers suffer an additional burden not shared by their white counterparts. They face higher rates of incarceration on conviction for the same offense and longer a sentences. Thus they are far more likely than white dealers both to bear the stigma of past incarceration, to have suffered the negative socialization so characteristic of modern American prisons, and upon release from prison, they enjoy fewer economic opportunities.

Violence and drug distribution

The relative absence of any mention of violence associated with participation in drug markets over the duration of the study was remarkable given the history of drug-related violence on the Lower East Side.¹¹ This, after all, was the neighborhood where Goldstein (1985) collected the data that resulted in his benchmark paper on drug-related violence. Old-time hard drug users who had lengthy criminal careers and were veterans of the period when violence was commonplace in the area agreed that the era of street crime and violence was over.

Every now and then I do my thing, to try to make ends meet. I don't like it 'cause it's too scary out here to get busted, ya know what I mean—nobody

¹¹ Although this study has little to report with respect to drug-related violence, the authors have recently completed a 5-year study of heroin in New York City funded by the National Institute on Drug Abuse ("Heroin in the 21st Century" #R01 DA10105-05) that will have much more to say about drug-related violence, especially the phenomenon of robbing drug dealers (Jacobs 2000).

wanna get busted. These are the chances we take. I'd rather hustle than hit somebody upside the head and take their shit like some assholes out here be doin'—I don't condone that. I'm against all that violence, stupidity—ya know, hurtin' old people and shit like that. That—I'm against.

Drug dealers were far more likely to be involved in violent crime as victims than as perpetrators. For the most part, dealers were extremely paranoid about being robbed, especially house dealers, many of whom recounted horrifying tales of home invasion-style robberies and one of whom told of witnessing the murder of a close business associate, after he himself had been brutally tortured. For the most part, dealers were philosophical about these robberies:

They [the Chelsea loft mentioned above] stopped [dealing] eventually because there were a lot of robberies, not just them but a lot of people, Shiva Steve, Bill and his girlfriend got tied up, John uptown got robbed twice [although the second time was a setup by a "friend"]. They were robbed a few times by guys dressed as Con Ed guys, everyone said they were cops, they were going about six years. They didn't just give up the first time they got robbed because they lived there and they were making a lot of money.

The corporate marijuana delivery service described at length above has been robbed several times, three times by thieves posing as customers and twice by staff members. In each case, the organization's response was to tighten procedures to prevent reoccurrence, but otherwise to absorb the loss as a cost of doing business. For example, the service became unwilling to meet customers on the street or in cars, not out of fear of arrest during transactions in these more public locations, but because of a fear of "street

kids” detecting their activities and following and robbing the runners. As one of the owners noted:

We don’t do street deals anymore. None. And I think [cutting out] the street deals have less to do with fear of cops, more to do with the fear of people. Other people. [What do you mean?] Like the people preying upon us, you know, street kids.

He contrasted their responses to the robberies to that of distributors involved in heroin and cocaine sales:

Those guys who are preying on us, preying on delivery people. If they’re gonna be jumping some of those guys, they’re gonna get killed, because the heroin guys are doing this now too. They’re just gonna be killed, no getting around it. The heroin guys on the bikes, the coke guys, I mean those are crews. We’re a bunch of people, but we’re not in any goddamn crew, you know. We don’t have like some blood ethic that’s keeping us going. Bunch of kids trying to pay bills, nothing more, nothing less. Very innocuous.

No dealers in our sample said they carried a gun while selling drugs and few kept firearms at home. Many commented that this was because they feared that the courts would look more sternly on carrying a gun than on selling drugs. For example, one

Hispanic ecstasy/marijuana dealers told the researchers:

I’ve never worried about customers ripping me off, but at one point—just in case—I did make sure I kept a weapon underneath my bed. I had like a sawed-off shotgun, and it was always loaded. But I never carried it when I went out and did deliveries. Never! That’s the worst thing—to get caught in the street with a weapon like that. I didn’t really worry about that stuff ‘cause it was people that I knew for a while and I wouldn’t go to somebody’s house with a lotta pot. If I got ripped off what would they get—like whatever they thought was like sixty dollars worth of pot or two

eighths or a full bag of a quarter—just like sixty or seventy bucks or whatever.

The owners and managers of corporate street dealing organizations had a history of dealing with disloyal employees and disputes with competitors through public displays of violence. By contrast, the corporate delivery organizations which exist today are diametrically opposed to violent solutions, and generally employed a carrot rather than a stick to manage their labor force. One corporate owner, discussed how he handled the discovery that employees had put the corporation at risk by selling cocaine and ecstasy in conjunction with their strictly marijuana business: by paying employees more as an incentive to avoid side businesses (see above):

Some of the guys got ideas to make more money by bringing their own things along and those things that they were bringing were different drugs. So when we found out they were doing that, it was just like, first of all it's like "Fuck you, what are you doing that for?" and second of all "Alright, I guess it's obvious, you need the money." So, this gave them a vested interest and it seems to have done a pretty good job.

Since the delivery organizations have no "turf" to defend and little idea where the competitors are active, there is little incentive to engage in violence with competitors.

In many of the delivery businesses there was considerable paranoia about being detected by the police. Dealers change their contact numbers with some regularity and use a variety of direct marketing methods to alert chosen customers as to the change. In addition to assuaging nervous drug deliverers about the threats from police, it provides them the opportunity to drop problematic customers from the rolls. Still, freelance

dealing or delivering drugs for a service are jobs that are both physically demanding and psychologically stressful. Below, one dealer comments about how constant worrying drove him out of the business:

Then I worked for a guy that supplied those guys [a delivery service] with weight. So I would like deliver pounds to people. I only did that for a couple of months because it was givin' me an ulcer. You'd go to his house and pick up like three or four pounds, take the train back to my house and then just sit on it. He'd call and like give you an address, give you a weight—and it was never less than a quarter pound—and you would just go and do these deliveries. And you'd just sit around and do whatever it was you were doing, and then you'd get a call, "Go ride over to the West Village or Uptown." This was really nerve wracking—you have two pounds of weed in your bag and four thousand dollars in cash or something and you run a red light [while bicycling] and you're like, "Oh my God." There were only like four or five customers, like delivery service people—like maybe three delivery services. And then just random dealers—you'd go up and meet them at their apartment and they'd buy a pound.

DISCUSSION

As far as customers, the customers will always be there. I think they'd probably rather have it delivered than have to go out. Think about it, if you wanna do something you don't want your boss seein' you do, it would be a helluva lot easier to have some guy buzz your buzzer and walk into your apartment than you have you slurpin' around the streets doin' it, you know what I mean? When I was twenty-one it was still exciting to score some drugs. Kids still do the same thing. But I think that as far as—it doesn't make a neighborhood better not having the drugs on the street. I don't know. Maybe in the little bodegas that were sellin' the drugs that I knew that all closed down—shit, they closed down years ago and other things came in. Or they couldn't afford to pay the rent—who knows.

In many ways, the commentary above summarizes much of what this research discovered over the two-year research period. At the same time, the changes that the study

observed cannot be reduced to a simple formulaic understanding: it was a period of rapid change in many respects, and drug markets were part of that transformation. This study examined the range of illegal drugs that were present on the Lower East Side, and did so by employing an analytic strategy that emphasized the technical organization and the social organization of distribution. For this study, the location of sales was selected as a critical component of the technical organization of distribution to focus upon and they were grouped into three categories: 1) street-level sales, 2) indoor sales, and 3) delivery services.

By definition, street-level sales occur outdoors, but beyond that, they vary greatly. Street-level markets on the Lower East Side were once characterized by transactions between anonymous buyers and sellers in a blatant fashion that was obvious to passers by and police alike, engendering many complaints from community residents. In the current period, street sales, if they happen at all, usually occur between buyers and sellers who know each other intimately and whose transactions are scarcely visible to outsiders. Indoor sales took place in a wide variety of locales, including apartment or "house" connections, storefronts, *bodegas* (small neighborhood grocery stores), nightclubs, after-hours clubs and bars. In the 1970s and 80s, most indoor sales on the Lower East Side took place in and among the abandoned buildings spread throughout the neighborhood. Those locales have long since disappeared. The number of *bodegas* that sell drugs have decreased dramatically as vigorous policing and substantial reductions in the Hispanic

population of the neighborhood and their confinement to the Eastern edge of the neighborhood have curtailed this option.

The remaining storefront locales that offer drugs are often specialized boutique-style establishments, better-suited to the upscale flavor of the neighborhood. They typically offer a single substance—usually marijuana—to a discreet but diverse clientele. House connections became more prominent as an option following the disappearance of street-level sales, especially among white heroin users who have extended networks of acquaintances that they can and do activate to maintain a steady supply of the drug. Bars and clubs on the Lower East Side have long been known for the degree to which drugs are readily available—especially cocaine and “club drugs” like ecstasy—but with the disappearance of street sales and the time-limited operation of delivery services (who generally do not conduct business late into the night as to not arouse suspicion) club and bar dealers have found their niche considerably expanded in the current period.

Delivery of drugs removes transactions from the streets and risky indoor venues and offer consumers the opportunity to have drugs delivered directly to home, office or other safe locations. This form of distribution, which scarcely existed ten years ago, has rapidly become the predominant form of distribution for most drugs on the Lower East Side. There are basically two forms of delivery sales: delivery services and beeper dealers. Delivery services employ “runners,” who may travel on foot, by bicycle, car, taxi or public transportation. The deliveries are typically made to the homes or workplaces of the

customer. The customer pays a premium price reflecting insulation from the risks of a street transaction, as well as for the convenience represented by home delivery. By contrast, beeper dealers wait for customers to call them on a pager, which digitally transmits a phone number for the dealer to call the customer back so that they can plan a meeting location, rather than lingering on street corners or in the lobbies of buildings. This practice offers a much greater degree of security for the dealer, since he/she is not forced to wait at a particular location (which may have become known to law enforcement) to meet customers and knows in advance who he or she will be selling to and how much they want. Beeper dealers can avoid areas known to be "hot" (under police surveillance), instead transacting business in areas not known for drug activity.

Other features of the technical organization of distribution were also notable during the research period. The extraordinary growth of "secondary markets" for all drugs was one of them. Our use of the term secondary market refers to more than simply a small group of friends who buy and share drugs together. The critical feature of the secondary market is the use of a person—a middleman—who is not a "professional" dealer to facilitate the purchase of drugs, and is a person who, in essence, works as an agent for the consumer rather than the distributor. The growth of secondary markets is seen as the outcome of the class segmentation of drug markets. As some groups of users are socially and geographically distant from the sellers, the existence of intermediaries is critical to the flow of drugs, but bridging the divide between these diverging groups continues to be a

challenge to distributors and users alike. For example, crack continues to be used by a significant number of whites who generally do not get arrested (Rohde 1998), but the greater integration of crack sellers and minority users into the fabric of the community on the Lower East Side has made it that much more difficult for whites to buy crack there. To a large degree, the proliferation of "house" connections is an outgrowth of this increase in secondary markets. The growth of franchising, though in many ways better defined as a reformulation of the corporate model, may also be seen as related to the proliferation of secondary markets. The extension of credit has always been critical to the functioning of drug markets; however, its importance is underscored in the current period where transactions can no longer take place in public places or involve large numbers of people at one time.

The study also examined how recent advances in technology have affected drug markets. Previous researchers have dwelled upon the increased sophistication in weaponry that accompanied the crack boom of the 1980s, but they largely ignored the importance of changes in the equipment and technology used in retail drug distribution and the significance of those innovations in drug markets. For example, the popularization of delivery services can be seen as a direct outcome of the widespread diffusion of telecommunications technology like pagers and cell phones. Delivery services also typically use computers to keep track of their often-extensive lists of clients. Some forward-looking entrepreneurs have even begun to explore the internet as a vehicle by

which retail sales can be carried out. While some observers seem only interested in understanding how drug distributors use technology to stay one-step-ahead-of-the-law, the use of technology to define, differentiate and separate drug markets along class lines, and to a lesser degree by race and/or ethnicity, appears to be one hallmark of the current trend in drug markets on the Lower East Side.

The study also selected distributors that fit into three ideal types of social organization representing a conceptual sequence of increasing complexity: 1) freelance distributors, 2) socially bound businesses, and 3) corporate-style distributors. The critical defining characteristics of freelance distributors are 1) a lack of formal hierarchy, and 2) the absence of a division of labor. Our model of freelance distribution was built upon observations and interviews with distributors from the crack era who operated in a blatant, cavalier and often violent manner that earned them resentment from neighborhood residents (Curtis 1996, Sviridoff et al. 1992). By contrast, the freelance indoor and freelance delivery distributors that this study observed and interviewed depend, for their very existence, on invisibility, and relationships between potential competitors, when there were any, were surprisingly collegial if competitive, and generally supportive.

The next level of organizational complexity is what is described here as a socially-bonded business. As the name implies, organizations of this type are usually based upon extra-economic social ties, typically kinship, race, ethnicity, nationality, and/or neighborhood. Those who make up the group share some common feature (or set of

features), beyond simply making money, that binds members of the group together. While freelance and corporate-style distributors are very specific and easily recognizable forms of distribution, socially-bonded businesses exhibit wide variation. Some are quite egalitarian in their structure and functioning resembling collectives of freelancers (like the Jamaicans in Washington Square Park) while others are hierarchical and appear almost corporate-like in the way that they operate.

Corporate-style distributors are the most complexly organized of our three ideal types. At one time on the Lower East Side, the dominant corporate model featured several levels of hierarchy and considerable functional specialization within the organization. By contrast, during the current period, corporate organizations are much “flatter” and exhibit much less job specialization. Of course, the associations between persons involved in these businesses are still primarily based on making money, and “runners,” for example, clearly see themselves as employees, but the organizations lack the tensions that characterized their street-level predecessors.

Street-level corporations dealt with the issue of trust and loyalty by instilling terror through the routine use of public “beat-downs,” humiliations and killings, and many hired “enforcers” expressly for this purpose. When street-level enforcement activities increase, the estrangement between ownership, management and labor is often seen in the increased incidence of street-level violence between them (Curtis 1996). For example, in 1998, one corporate heroin-selling organization on the Lower East Side called “The Cut Throat

Crew,” punished a female worker “over the nonpayment of \$700 for drugs” by throwing her off the roof of 60 Avenue D (Ross 1998). By contrast, corporate delivery services are characterized by the highest degree of trust of employees, since they are routinely “fronted” drug supplies of a thousand dollars retail value. They tend to employ only close friends of existing employees and attempt to generate camaraderie and *esprit de corps* among members of the organization through paying employees well, providing perks (e.g., free or discounted drug supplies for personal use), and sponsoring social functions such as Christmas parties.

One disadvantage to constructing typologies is that they are not conducive to describing change. The three ideal types of social organization employed in the study do not adequately capture the complexities that were observed in the field. The growth of secondary markets and franchising, for example, are developments that, in many ways, do not fit neatly within the tripartite model that the researchers began with. Clearly, drug markets evolve over time, and they can become more or less complex as they change, and as new distributors enter the market they introduce new wrinkles to the drug business. Despite its inadequacies, the typology outlined in this paper provides a framework for systematically describing drug markets, thereby allowing and facilitating comparative analysis. The Lower East Side is clearly different from other neighborhoods in New York City, and this research identified a group of factors -- especially, the combination of gentrification, intensive policing, a concentration of nighttime entertainment spots, and the

influx of a relatively uninhibited upwardly mobile population—that would complicate comparisons with other neighborhoods. While each neighborhood will undoubtedly have a different constellation of factors which exert influence on the configuration of local drug distribution and consumption, we are not suggesting that researchers return to a form of “historical particularism” (Harris 1968:250-289) where every place and event is unique, thus making it impossible to systematically compare and contrast anything. While the Lower East Side is unique in some ways—as a trend-setter in many areas of social life, including art, music and drug fashions—it has often been “ahead of the curve” in terms of national drug trends, and it may offer insight and clues that resonate with developments taking place in other neighborhoods.

Clearly, the technical and social organization of distribution change over time, but what explains such change? Conventional wisdom asserts that variation in the intensity and style of policing are a primary force that shapes drug markets. Given the New York City Police Department’s assault on drug distribution in minority neighborhoods and the body count generated in the “war on drugs,” it would be surprising indeed if there were not a substantial effect. However, a number of other factors are significant as well.

Consumer preferences shape markets as decisively as policing. Drug distributors are also victims of predatory crime (both by rivals and those who realize dealers are unlikely to report robberies) and this can become a factor. Capital and labor market flows in the non-criminalized economy also affect drug markets, both directly and by shaping the

neighborhood settings in which distribution takes place. Finally, all the other factors that shape neighborhoods affect drug markets: class, ethnicity, residential and other land use patterns and so on. Of course, none of these factors exist in isolation; they are all constantly interacting in complex and multifarious ways: drug markets affect neighborhoods, which affect policing, which affects drug markets and so on.

The typology also serves to beg the question of why distinct forms of distribution arise and flourish at specific historical junctures in particular places. To unlock this mystery, we must look beyond limiting confines of drug research and realize that illegal substances are not simply about altering consciousness or making money, but ultimately, they are rooted in and tell us much about political economy. For example, it is no coincidence that street-level drug supermarkets operated by corporate-style distributors were located in blighted minority neighborhoods. These urban backwaters had long been neglected by governmental agencies (except, perhaps, law enforcement), and the vacuum created by their malign neglect allowed drug organizations to fill the void. While such organizations were certainly about making money, they were often equally concerned with building and exercising power and authority. Such developments are not unlike situations found in other places and times when governments abdicate their responsibility or cede authority to local power brokers (Hess, 1998). The current style of corporate drug business is quite different in that respect. For these distributors, participation in the drug economy

does not bestow social status (positive or negative) in the wider community and is not a source of local power or authority.

Seen through the lens of political economy, the study of drug markets may progress from being an evaluative yardstick for law enforcement officials and policymakers to making significant contributions to theory development and the wider analysis of topics like power, authority, the state and other factors which more typically occupy the time of social scientists. For example, the greater class fragmentation of drug markets in the current era is, in some ways, diametrically opposite the class barrier meltdown observed during the “freebase” era of cocaine in the early 1980s when people from an extraordinarily wide variety of backgrounds rubbed elbows while using the drug (Agar in press, Hamid 1991, Curtis 1996).

An assessment of the relative impacts on drug markets of demographic shifts, land-use changes, and law enforcement activities

The recent history of the interaction between policing strategies and drug distribution strategies can be divided into three distinct periods:

- The “hands off” era: From roughly 1973¹² to 1983, drug markets operated more or less openly, with little interference by police (Moore 1977, Zimmer 1985, Wendel and Curtis 2000). Crime rates increased steadily and there was a sense that the police could do little about crime, which was seen as caused by underlying social pathologies the police were powerless to affect.

- The “shooting fish in a barrel” era: Beginning with Operation Pressure Point in 1983 and continuing with the Tactical Narcotics Teams (TNT), the New York City Police Department returned to aggressive street drug enforcement. Arrests soared, but so did violent crime. Drug markets were often displaced a few blocks or temporarily closed, only to reopen after interventions ended (Zimmer 1987). Then, crack emerged as a major market. Street sales boomed, often facilitated by freelance user-distributors. But then crack use and sales began to decline. Crime, after increasing steadily for many years, also began to decline: property offenses peaked in 1988, while violent crime began to drop in 1990 (DCJS).
- The “whipping a dead horse” era: By 1996, drug markets had adapted to the new climate of street enforcement by moving indoors and shifting to mobile telephone-enabled delivery (Curtis and Wendel 2000), Police adapted by pursuing a policy of ever more stringent enforcement of ever more petty regulations (Horowitz 1998, Marzulli 1998, Rohde 1999), attempting to continue with the tactics which had, in their view, caused crime to decline. Resentment against police in minority communities erupted in protests after several well-publicized incidents of police abuse of civilians (Dwyer 1999, Kocieniewski 1999, Purdy 1997). Residents of minority neighborhoods who had once viewed large corporate drug distributors with abhorrence began to adopt a similar view of the police.

The wide open drug markets which characterized so many of New York City’s minority and working class neighborhoods in the 1970s and early 1980s were a product of neighborhood residents taking advantage of the confluence of a number of trends in

¹² The year following the publication of the Knapp Commission report.

the political economy of New York City. These included the withdrawal of all but the most minimal and reactive policing from large areas of the city, coupled with a general cutback in other city services (Marcuse 1980, 1982). Simultaneously, the recession of the mid-1970s led to an evacuation of private capital from these same areas (Bratt et al. 1986, Shefter 1985, Tabb 1982). These trends combined to create a vacuum in the areas of governance and exercise of violence and territorial control which was filled by drug distribution organizations. This process is reminiscent of the rise of *mafia* and other forms of "amateur government" in areas where state authority was withdrawn or never fully established (Gambetta 1993, Hess 1998, Hobsbawm 1959).

The 1970s in New York City and the nation were characterized by an overall sense that urban problems, especially including crime, were ultimately beyond the ability of government to solve. The Kansas City Preventive Patrol Experiment (Kelling et al., 1974) had been interpreted to suggest that police patrol ultimately could make little difference in levels of crime and public perception of crime. The experiment had employed proactive, reactive and mixed policing strategies and appeared to indicate that none worked significantly better than any other. This lent credence to the belief that crime was a social problem largely outside the ability of police to control or prevent. The City of New York's finances reached a crisis point in 1975, as the city faced the possibility of municipal bankruptcy (Shefter 1985, Tabb 1982). A philosophy of "triage" in the delivery of municipal services was adopted: as in an emergency room, limited

resources should be concentrated where need is very urgent and where chances of success are highest (Marcuse 1980, 1982). The triage philosophy was applied to a wide range of city services from housing inspections to policing. Since police could not, it was thought, keep up with the burgeoning crime rate and police resources were limited; only the most serious crimes were addressed and minor offenses were often ignored.

During the 1970s, drug enforcement was minimal, certainly in comparison with the intensive efforts of today. In the aftermath of the Knapp Commission, officers were discouraged from intervening in drug markets: "While there was no written policy forbidding uniformed officers from making such arrests, the intent of commanders was made clear in a number of ways" (NYPD 1994b:13). The Police Department also suffered personnel cuts due to the atmosphere of belt-tightening in city government brought on by the fiscal crisis, suffering a 16.1% decline between 1974 to 1984 (Shefter 1985:145).

The decline in government expenditures and efforts to solve the problems of troubled neighborhoods was matched by a withdrawal of private sector investment in vast swathes of the city. Banks refused to make real estate loans in many working-class and poor neighborhoods, a practice known as "redlining" (after the red lines they would draw on maps indicating the areas they would not lend to) (Meyerson 1986; Tabb 1982:96). This policy of disinvestment, coupled with a sagging economy which hit the urban poor particularly hard led to a deterioration of housing stock and the closing of many small

local businesses which had provided employment. Another significant consequence of these trends was widespread abandonment of residential buildings, as landlords found that the rents paid by poverty-stricken tenants would not support the costs of heating and city taxes (Tabb 1982:92). Abandonment created the physical infrastructure for many of the "shooting galleries" and "crackhouses" which subsequently flourished in these derelict structures. Many buildings in poorer neighborhoods were also burned by landlords seeking to cash in on insurance proceeds (Tabb 1982:94), which contributed both to the depopulation of vulnerable neighborhoods, but also to the sense of them as areas where the rule of law and government had been abandoned.

In the 1980s, New York's economy began to revive, as the stock market climbed steadily until the crash of 1987. The real estate market rebounded strongly and investment returned to some communities that had been abandoned in the 1970s, both from private investors and government programs. Rather than abandoning property to be seized by the city for unpaid taxes, landlords began investing in their property. A wave of conversions of apartment buildings from rentals to cooperatives began, as landlords sought to evade the city's rent stabilization laws and increase the profitability of their properties. The city began renovating many of the substantial number of buildings which the city had acquired during the 70s wave of abandonment, as well as selling some back to private developers and landlords. The Community Reinvestment Act of 1977 forced

banks to make mortgage loans to many of the inner-city neighborhoods they had “redlined” in the 1970s.

The East Village/Lower East Side area was one of the first to gentrify since property was cheap there and developers were swift to take advantage of newly-available mortgage funds. There were large numbers of city-owned buildings in the area and it represented the only substantial area of Manhattan south of Harlem that was not already primarily upper-middle class. As such, it was seen by the real estate industry as ripe for redevelopment. The “hip” reputation the area had gained during the 1970s era of abandonment and decay was the ironic marketing hook used to transform and repopulate it (Mele 2000). Abandoned and semi-abandoned buildings began to be renovated and re-inhabited. Gentrification continued and indeed accelerated. Abandoned buildings and vacant lots became a thing of the past, as property in the area came to be far too valuable to leave idle.

Operation Pressure Point in 1984 saturated the Lower East Side with police who aggressively arrested users and dealers. It was the New York Police Department’s first venture into large-scale street-level drug enforcement since the release of the Knapp Commission report. Thousands of arrests were made during the campaign and the New York Police Department proclaimed it an unqualified success, setting the stage for the city-wide Tactical Narcotics Teams (TNT) program (1988-93) (Sviridoff et al. 1992). Like Operation Pressure Point, the TNT disrupted markets and succeeded in dispersing

them. This disruption was evident when a TNT intervention was in progress, but it often had little sustained impact on long-established markets. The Tactical Narcotics Team approach involved short-term highly intensive interventions in geographically contained areas. The theory was that intensive enforcement would so disrupt drug markets at a particular locale that they would be unable to resume even when the intensive intervention ceased. However, TNT proved to be a limited success for several reasons (Curtis and Sviridoff 1994). First, the limited areas led to *geographic* displacement: distributors moved over a few blocks outside the TNT area (sometimes only temporarily), though this effect varied considerably and was less evident in the Very study than other neighborhoods that received the intervention (Curtis 1996). Second, there was what might be called *temporal* displacement, which took several different forms: a) pausing: While TNT was in the immediate area, business would come to a halt (just as dealers often stop selling during after-school hours, to allow children to get home without being confronted by blatant drug sales). Distributors knew that TNT would move on to another site and simply waited for them to leave only to resume sales; b) "TNT days:" Distributors rapidly noticed that TNT interventions followed certain patterns despite Police Department rhetoric that claimed enforcement activities were not predictable. They avoided working on those days; and c) weekends: Due to the reluctance of officers

to interfere with weekend plans, TNT was almost never active on weekends. Distributors responded accordingly.¹³

As the New York Police Department returned to street-level enforcement, arresting ever-greater numbers of distributors and users, neighborhood redevelopment also began to chip away at the physical infrastructure of abandoned and under-utilized¹⁴ spaces where much drug distribution and consumption took place. Areas which had consisted of little more than long stretches of abandoned buildings began the process of renovation and redevelopment. Stores returned to neighborhoods where purchasing any kind of product (other than illegal drugs) had long been all but impossible. In many communities, neighborhood activists began initiatives to prevent crime and improve conditions, particularly for young people. Young people responded to these improvements by behaving a great deal more civilly than the age cohorts which had preceded them (Curtis 1998). Notably, they avoided use of heroin and crack, as well as the heavy drinking of fortified malt liquors, instead preferring to smoke copious amounts of marijuana, often rolled in the "blunts" which came into fashion during this era.

The gentrified drug markets that now exist on the Lower East Side represent a major shift in drug distribution in New York City. Such businesses depend for their

¹³ Such day-to-day variations probably had more impact on sales in heroin markets, due to the daily consumption pattern characteristic of heroin use. Cocaine on the other hand is more often used a "party" or weekend drug, and there may thus have been a less significant impact on cocaine markets.

existence on “blending into the woodwork,” rather than the sort of highly public touting which was characteristic of the most notorious of the old school of corporate fixed-location dealing. One consequence of bringing drugs to the customer, rather than the customer to the drugs, has been a reduction/elimination of the potential (or incentives) for violence of the “turf war” type (Goldstein 1985). In fact, since the very goal of such distributors is to be invisible to anyone except their customers, the shift towards such distribution tends to eliminate all the secondary or spillover effects of drug distribution on non-market participants. By geographically dispersing drug transactions to many different locations, the awareness of non-participants is substantially diminished.

As the murder rate has fell to a thirty-year low” and crime in general greatly decreased, misdemeanor arrests rose to an all time high. In fact, if murders continue to occur at the rate at which they occurred during the first month and a half of 2002, the murder rate in the borough of Manhattan will be the lowest in 100 years (Weiss 2002). Offenses which once drew verbal cautions or summonses during the “triage era” came to routinely result in arrests. The perception that police had come to focus on trivial offenses because of the absence of serious crime was not confined to academics and street-corner drug dealers. Former Police Commissioner William Bratton stated that “I could foresee exactly where we are today— police being used to go after petty, obscure offenses.

¹⁴ “Under-utilized” by legal activities, at least.

They're so driven by the numbers now that as they have less and less [crime] to work on, they start going after things that are really far-fetched" (Horowitz 1998). The police are making more drug arrests than ever before, but for much less serious offenses (see Appendix III, a chart and table of drug arrests in New York City from 1990-99). The lone exception to this pattern of declining numbers of arrests is misdemeanor cannabis arrests (41,777 in 1999, up from 26,111 in 1997). Almost eight times as many misdemeanor cannabis arrests were made in 1998 as in the last year of the previous mayoral administration. 80% of these arrests were made by the undercover Organized Crime Control Bureau, which represented a great increase in the share of their effort focussed on marijuana arrests: 18% in 1993, 40% in 1998 (Marzulli 1998). The Narcotics Task Force searched 26.7 persons for every one arrested. An astonishing 37.9 Hispanic New Yorkers were searched by narcotics officers for each arrest made (Office of the Attorney General 1999:112).

Measuring the effectiveness of law enforcement interventions in drug markets and areas known for drug market activity is difficult. Should the measure of success be the number of arrests? Arrests are easily generated if officers are under sufficient pressure to make them. If police interventions are truly successful the illicit behavior should decline. Thus arrests should logically also decline, not increase or remain steady; that is, if the intervention "works." However, the New York Police Department has traditionally

regarded officers who do not make enough arrests as “unproductive.”¹⁵ Moreover, if arrests do not decline, this may be the result of increasing effort to make each arrest.

The large volume of arrests that this approach generates has definite consequences for the neighborhoods where the arrests are concentrated (Rose and Clear 1998). According to Drucker (1999) “Drug enforcement... may itself be considered another adverse outcome of drug use- a measure of social morbidity with enormous negative consequences for those caught up in the criminal justice system. [But]....drug law enforcement can also be viewed as an independent variable- a causal factor responsible for worsening many of the social and public health problems we normally attribute to drug use per se.” Large numbers of young men in New York’s most hard-pressed neighborhoods end up with long criminal records as a consequence of shuttling in and out of jail on short term sentences. Their already tenuous ties to conventional institutions and legitimate economic opportunities are weakened while, perversely, their opportunities for criminal activity are expanded through contacts made while locked up. Furthermore, as the young male populations of whole neighborhoods become inured to repeated contacts with the criminal justice system, the deterrent effects and stigma attached to such contacts diminish. In many poor neighborhoods, incarceration is now

¹⁵ For example, until recently the section summarizing police arrest activity in the Department’s *Statistical Report: Complaints and Arrests* was entitled, “Who did the work.”

seen as an inevitable rite of passage for young men, a coming of age. It is ironic and troubling that this should become the case during an era of declining crime rates.

Some have claimed that New York City's declining crime rates are a consequence of the vast increase in police aggressiveness under the Giuliani administration. This claim does not stand up to empirical examination (see, e.g., Cuneen 1999, Greene 1999). In fact, the crime rate in New York City began to decline prior to Mayor Giuliani's term, which began in 1994. Violent crime in New York City had been declining since 1990, when it peaked at a rate of 2,385.6 per 100,000 people (Department of Criminal Justice Services). Murder and robbery both peaked that year, driving up the violent crime rate, and then both began to decline. Property offenses actually peaked several years earlier, in 1988 (during the third term of Ed Koch) and have been declining since. The city's overall rate of index offenses also peaked in that year, because property offenses are so much more numerous than violent offenses. Arrests for violent felonies peaked in 1989, a year before violent offenses did. Such arrests declined from 1989 to 1993. In 1994, Giuliani's first year in office, violent felony arrests increased again, although not to 1989 levels and then again began to decline.

Drug markets reflect and reproduce patterns in the larger society of which they form a part. As the Lower East Side was abandoned by real estate investors and city government in the 1970s, new structures arose in the subsequent vacuum of authority and opportunity: drug dealing corporations with elaborate management hierarchies which

reproduced those of the non-criminal economy. Beginning in the mid-1980s, as the investment in buildings returned as a result of a tightening real estate market, the New York City Police Department, under Mayor Koch, began “re-criminalizing” drugs and violence in neighborhoods which had seen both formal and informal structures of social control collapse. Police began a long steady assault on public drug dealing and other forms of misbehavior. Markets were at first slow to adapt to the changed conditions on the streets and the police were able to make huge numbers of arrests and seize large amounts of illicit commodities. They were at first less successful at eliminating drug markets, even the most public ones. Short term, geographically-focussed interventions encouraged dealers to avoid selling on certain days known to be “TNT days” or to move a few blocks away (Zimmer 1985). Gradually, police became more sensitive to the social organization of distribution (Curtis and Wendel 2000) and began attempting to dismantle organizations, rather than rack up arrests or product seizure totals (Harnett and Andrews 1999, Blair 1999). This approach, combined with the steady drumbeat of arrests and a declining overall market for drugs (especially crack), led drug markets to adapt. The era of the public corporate distributor was over.

Drug distribution continues to flourish today. Although gentrification and aggressive policing have reconfigured and recaptured the public and semipublic spaces in which drug distribution took place in the 1970s and 1980s, users continue to obtain drugs with little difficulty. As the neighborhood has gentrified, so have the drug markets.

Changes have occurred both in the technical organization of distribution (delivery and indoor markets of various kinds have come to predominate) and in the social organization of distribution (large corporate structures are less common and flourish only in the delivery segment of the business).

In general, law enforcement interventions have had little lasting impact on drug *use* patterns and are only partially responsible for the major transformations which took place in drug *markets* in New York City over the last fifteen years. To understand why drug distribution and consumption styles change, it is necessary to look beyond law enforcement to the roles which illegal drugs play in the wider political economy of the United States. But, while eliminating the use of drugs is something which is simply beyond the powers of any law enforcement agency to accomplish, containing public drug markets is possible. The New York Police Department should continue doing what it has proven to be quite good at: containing and controlling public drug markets. Public drug sales have been eliminated in most of New York City. Violence has declined tremendously. Of course, drugs continue to be sold and used throughout the city, but, today, drug markets seldom impinge on the lives of non-participants. In our view, the measure of success of narcotics enforcement should not be defined as eliminating drug distribution and use, but rather, reducing to the lowest possible level the harm to individuals, families and neighborhoods that may be associated with such activities.

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APPENDICES

- I Typology of drug distribution, 1998**
- II Typology of drug distribution, 2001**
- III New York City drug arrests, 1990-1999 (Chart and table)**
- IV Map of Lower East Side (Community District 3)**

Appendix 1

Typology of Drug Distribution, 1998

Technical Organization of Distribution	Social Organization of Distribution		
	Freelance Distributors	Socially Bound Businesses	Corporations
Street-level	Marijuana PCP	Crack Heroin	Cocaine Crack Heroin
Indoor Sales	Heroin Marijuana Methamphetamine "Rave" drugs	Cocaine Heroin Marijuana	Cocaine Heroin
Delivery	Heroin Marijuana Methamphetamine "Rave" drugs	Marijuana "Rave" drugs	Cocaine Heroin Marijuana "Rave" drugs

- "Rave" drugs refers to newly-emergent drugs (e.g., Ecstasy (MDMA) and "Special K" (ketamine)) popular among young people who frequent "raves" (dance parties featuring "techno" and "jungle" music).
- The markets indicated by **boldface** represented the dominant forms of distribution for those drugs in the neighborhood during preliminary research.

Appendix II

Typology of Drug Distribution, 2001

Technical Organization of Distribution	Social Organization of Distribution		
	Freelance Distributors	Socially Bound Businesses	Corporations
Street-level	Marijuana Crack	Heroin	None
Indoor Sales	Heroin Marijuana Methamphetamine "Rave" drugs	Cocaine Heroin	None?
Delivery	Cocaine Marijuana Methamphetamine "Rave" drugs	Marijuana "Rave" drugs	Marijuana "Rave" drugs

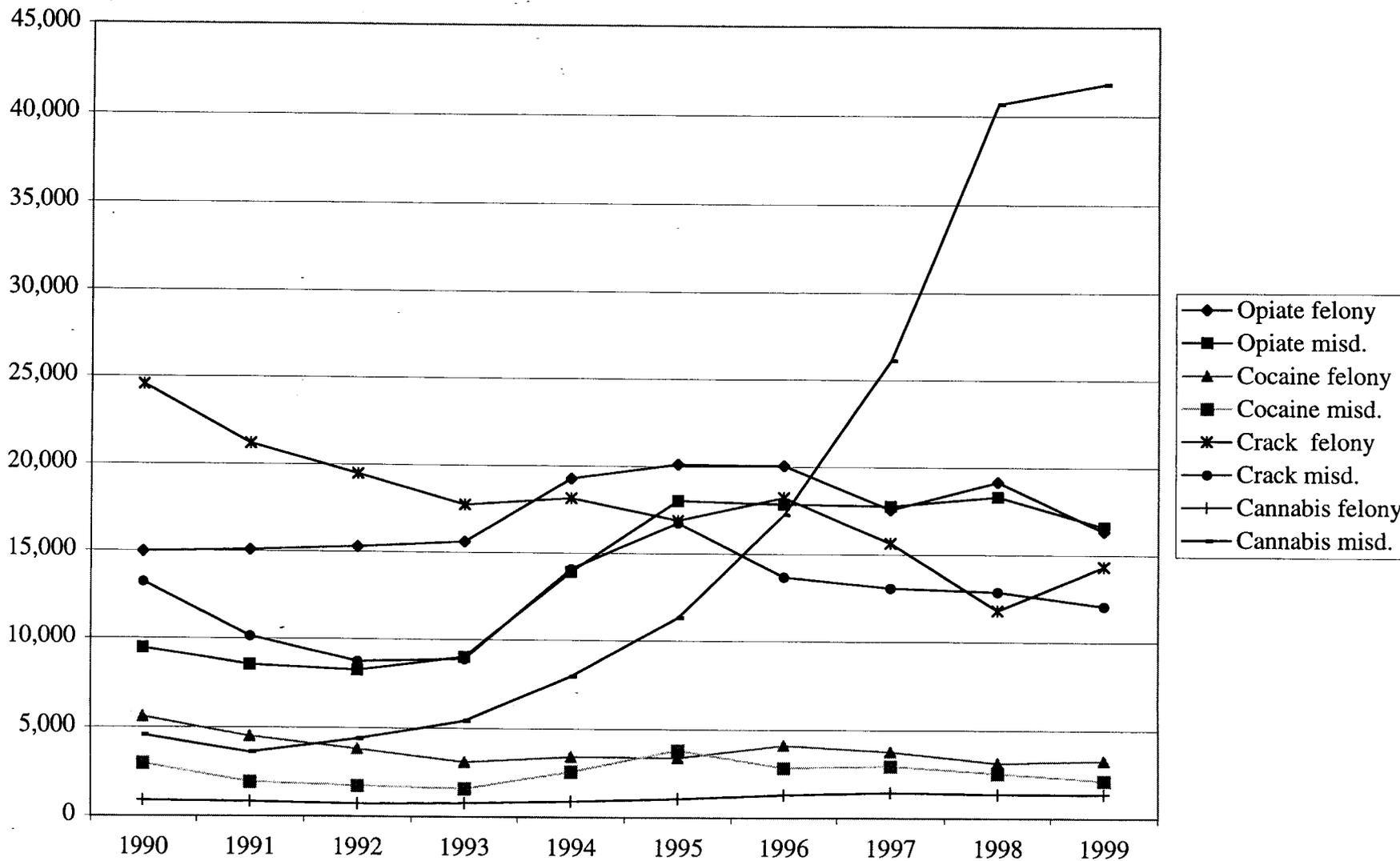
Notes:

- "Rave" drugs refers to newly-emergent drugs (e.g., Ecstasy (MDMA) and "Special K" (ketamine)) popular among young people who frequent "raves" (dance parties featuring "techno" and "jungle" music).
- The markets indicated by **boldface** represented the dominant forms of distribution for those drugs in the neighborhood during the research period.

Appendix III

Appendix IV

New York City Drug arrests, 1990-1999



New York City Drug arrests, 1990-1999

PROPERTY OF

National Criminal Justice Reference Service (NCJRS)

	Opiate felony	Opiate misd.	Cocaine felony	Cocaine misd.	Crack felony	Crack misd.	Cannabis felony	Cannabis misd.
1990	14,985	9,436	5,579	2,966	24,543	13,260	872	4,557
1991	15,091	8,531	4,505	1,917	21,202	10,145	811	3,591
1992	15,282	8,227	3,810	1,701	19,466	8,732	697	4,381
1993	15,597	8,998	3,083	1,578	17,744	8,891	746	5,399
1994	19,275	13,931	3,399	2,562	18,128	14,111	885	7,930
1995	20,120	18,011	3,380	3,810	16,902	16,754	1,053	11,304
1996	20,045	17,856	4,091	2,813	18,215	13,694	1,268	17,233
1997	17,563	17,762	3,754	2,938	15,653	13,086	1,420	26,111
1998	19,161	18,322	3,112	2,519	11,816	12,875	1,350	40,680
1999	16,338	16,611	3,249	2,121	14,341	12,070	1,345	41,777

Source: Crime Analysis Unit. 1991-2000. Statistical report: Complaints and arrests. New York: New York Police Department Office of management Analysis and Planning