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FORUM**THE SOCIAL
STRUCTURE
OF STREET
DRUG DEALING**

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Office of the Attorney General

State of California/Department of Justice/Division of Law Enforcement
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In an effort to increase the comprehensiveness and quality of criminal justice research in California, the Attorney General developed the Collaborative Research Program within the Bureau of Criminal Statistics (BCS).

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- Forge stronger ties between state government and private scholars; and
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THE SOCIAL STRUCTURE OF STREET DRUG DEALING

We proposed to undertake a small, descriptive two-month crash study — in effect, a research probe — during the summer of 1988 which would investigate five issues:

1. *How is drug distribution in California related to the gang phenomenon?*
2. *Socialization into the Drug Business.*
3. *How is street drug dealing organized?*
4. *What financial and contractual arrangements are associated with street drug dealing?*
5. *What is the market?*

The questions were stimulated by increasing interest on the part of the general public and the law enforcement community in the rapid rise of "crack" or rock cocaine street drug dealing in California and the violence associated with its sale.

Methods

Given the two-month time constraint, our sample was limited. Nevertheless, we were able to complete more than 80 interviews, 39 with inmates and wards at four California correctional institutions — two in southern California and two in northern California. One was an adult prison, and the other three were run by the California Youth Authority. Forty-two interviews were conducted with city and county police, state narcotics officers and correctional officials. Without the cooperation of those from whom we learned so much, the study could not have been completed.

Some further comments about methodology and resources are in order here. Given our time constraints and limited resources, there were many things we were not able to do. For example, we were able to retrieve some quantitative data on drug use by race for those who failed probation drug testing, but we simply did not have the resources to follow up this important data source around the state. Furthermore, we acknowledge that our sample does not represent the universe of those who sell drugs. Our sample is open to at least four criticisms:

An initial criticism could be leveled at the segment of drug dealing our data represents. We describe neither dealers in affluent communities, who may not come to the attention of police, nor higher ups in the drug business. A richer and better rounded portrait of the social structure of drug distribution might be obtained by interviewing federal agents and prosecutors, plus defense attorneys who operate at both the state and federal level. The study could also be expanded to interview inmates in federal prisons who were convicted of drug-related offenses. Such a study was attempted by Peter Reuter of the Rand Corporation, and was limited in its success at generating information from these dealers.

Second, to what extent does our ward and inmate sample represent the universe of street drug dealers? Those who chose to interview with us were self-selected. They were approached initially not by us, but

by institutional gang counselors and prison officials. After they agreed to talk with us, they were told that we wanted information on the above questions, and that information would be kept confidential by us. We showed each informant a letter to that effect, plus a consent form. We told them we weren't interested in having them "snitch" on anyone, but were only interested in general patterns in relation to the above questions. We told them that their names would be kept confidential and that they were, in effect, reporters about the drug scene in their gang or neighborhood, and how it worked. We also told them they could stop talking to us at any time.

Those inmates and wards who agreed to be interviewed may indeed differ both from other wards and inmates, and from others in the street who sell drugs. Their descriptions of the street drug scene and associated processes were, however, quite consistent with each other and were also essentially consistent with the descriptions of law enforcement officials. One could argue that consistency between the picture painted by police and inmates may not count for much, since the information of law enforcement officials is derived from a similar population — persons in trouble with the law.

Moreover, we acknowledge that our interview numbers are light, and could be enhanced with more inmate interviews. Although that would not solve the self-selection problem, the more interviews, and the more consistency among them, the more confidence we would have in our data. We did not try to conduct interviews with probationers and parolees since, we were advised, many of them are currently involved in the drug trade, and would be even more apprehensive than inmates. Given this consideration, plus time limitations, we decided to skip probationer and parolee interviews.

Teachers and community youth workers are another useful data source that we simply did not have time or resources to exploit. This population might offer a somewhat different picture of the centrality of gang identity to inner city youth. Our sample of incarcerated youth may be more "hard core" than others in the neighborhood, even others who sell drugs.

A third criticism could be directed at the richness and depth of our interviews. Most interviews lasted around one hour, and there were no reinterviews. We could have made, and hopefully will in the future make, more use of the case study as a research tool. This could be done especially with key informants, who might be persuaded to tell us more about their lives and their entry into the drug business.

Fourth, although this sort of study doesn't lend itself to much quantification, certain statistics which we didn't gather are available, and should be collected systematically. For example, we should be able to obtain data, through time, on probation and parole revocation for drugs by type of drug and ethnicity as one indicator of the persistence of "the drug problem." We don't know much about drug substitutability, that is, the extent to which individuals are committed to particular drugs, and to what extent this commitment varies through time. This is a very significant issue for law enforcement strategy. Unfortunately, local law enforcement is usually afforded only the time and resources to make tactical decisions about problems that happened yesterday and might happen tomorrow.

Given the acknowledged limitations of our database, our report proceeds to address the questions above, with the clear understanding that further research in this area is needed. This report should be considered exploratory in two respects: one, we need more data along the lines indicated above; two, drug markets, marketing practices and gang formations are dynamic phenomena, and may change rather quickly. A 1988 study's findings may not be applicable in 1990 or, for that matter, even in 1989.

1. How is Drug Distribution Structurally Related to the Gang Phenomenon?

To ask the question presupposes some preexisting relation between gangs and drugs, or that in some way gangs are synonymous with drugs. Our data suggest this is not true, nor should it be assumed that just because gang members participate in the sale or use of controlled substances that gangs have some

pre-established arrangement to distribute drugs. Our research indicates that the relation between the traditional or neighborhood-based gang — which we call the cultural gang — and drugs is not so causal. That is, traditional neighborhood gangs, especially Chicano gangs in Los Angeles, do not organize for the specific purpose of distributing drugs.

On the contrary, the cultural gang is strongly grounded in a neighborhood identity which may extend through generations. This is not to suggest that the cultural gang is uninvolved with crime or drugs or that it may not sometimes be opportunistic. Still, the idea of territory is deeply rooted in the cultural gang. Loyalty to the neighborhood is virtually indistinguishable from loyalty to the gang. We designate these gangs as “cultural” to distinguish them from opportunistic groups of young men who also may call themselves “gangs” or “mobs” and are organized primarily for the purpose of distributing drugs.

These sorts of gangs dominate the drug trade in northern California where gangs do not entertain such a developed ideology of neighborhood loyalty. Such gangs are usually regarded by their members as “organizations” and are considered a strict “business” operation. They are organized primarily to engage in criminal activities. We call these “instrumental” gangs in the sense that the fealty of membership depends on the opportunities offered by leaders, usually those who can claim a reliable connection to a source of drugs. Northern California gangs are thus less neighborhood centered and more business focused, although recruitment usually occurs within an identifiable neighborhood or housing project. Like any other capitalist enterprise, the “organization” is motivated by profits and the control of a particular market or markets. But unlike many capitalist enterprises, not all drug organizations strive for growth or expansion. They often perceive themselves as local businesses. Some may merely seek to control drug sales and distribution within delimited territorial boundaries, such as a part of the city or a housing project.

Our data suggest that mob-associated violence in northern California also tends to be instrumental, that is, for the purpose of controlling a drug selling territory or for enforcing norms of loyalty to the organization. By contrast, Los Angeles drug dealers engage in violence — called “gang banging” — as a symbolic aspect of gang loyalty and social identity. But the situation of the Los Angeles gangs, as we shall explain, seems to be changing, indeed dynamically so, as the values associated with drug marketing come to dominate members.

2. Socialization into the Drug Business

Although we did not find a causal relationship between gangs and drug distribution, our research did indicate that most, if not all, cultural gang members had their first contact with drugs, either as sellers or users, as members in the gang or the set. For the most part, gang or set members started off as users, using drugs with other gang members, first smoking weed and then moving on to more potent or sophisticated drugs, such as PCP, cocaine, or heroine. One gang member recalled:

“I started smoking pot with my homeboys, kickin’. It was part of being in the gang with the homies, everyone did it.”

The cultural gang social milieu facilitates the use of drugs and in many instances the sale of drugs. Drug use is common in the neighborhoods where instrumental gang members grow up, but it is not so clearly involved with gang identity. All cultural gang members we interviewed either sold or used drugs. In both sorts of gangs, older members assist younger ones to sell drugs. This is considered to be a friendly gesture, a measure of economic opportunity. An older “homeboy” — both north and south — may help out a younger one with little income by consigning or “fronting” some drugs to him. Since most of the gang members come from economically depressed communities and backgrounds, the drug selling business is very appealing, especially in L.A. where the protection of the gang is also assumed. There are more youngsters, we were told, who want to sell drugs than can be accommodated.

The introduction of younger boys to the drug business often serves to meet membership criteria and respect in the cultural gang. An individual may prove that he is worthy of respect and trust if he can show that he can sell for one of the "homeboys" and be trusted with the merchandise. This establishes respect, especially when the individual can sell his product and return with the money. Drug sales and distribution within gangs have their roots in such apprenticeship processes.

Once the individual is accepted into the cultural gang, participation in the drug business can facilitate upward mobility within the gang structure. To advance one's position in a gang, it is important to show that one is willing to take risks, is fearless, is willing to hurt and be hurt, and can be trusted. Drug-related activities — especially inter-gang violence for black gang members — present some of the most risky, and therefore the most highly valued, of gang activities. Through this avenue, cultural gang membership escalates involvement in the use and sale of drugs, and the commission of crimes which facilitate these activities. At the same time, the gang structure is supported when one "homeboy" initiates a younger one to sell drugs. In sum, the cultural gang is not organized for the express purpose of selling drugs, but gang organization facilitates that activity.

It should also be noted that gang members find it hard to quit a gang. The only way to pull away, short of moving out of town (which might not even work), is to "fade out," to slowly disassociate oneself from the gang's activities. Yet our interviews show that, particularly for the cultural gang, if a member fails to fulfill gang obligations, the gang will take retribution. Furthermore, and this is the case for both cultural and instrumental gangs, even if a member were able to "fade out," rival gang members as well as police correctional officials will likely continue to identify the (ex)gang member as an active member. Thus, gang members tend to believe that membership is permanent. In the words of one member who had tried to quit his gang: "If I'm going to be identified as a gang member anyway, I might as well really be one." And in the words of another:

"It's the age where if you was ever in a gang, it's not like you could just stop. . . There's probably something you did to somebody or one of their buddies a long, long time ago, when you was in the gang — this is probably five or ten years later, you probably successful in life — and he remembers your face. . . . somebody always consider you in."

In the following section, we further elaborate the distinction between the L.A. cultural and the northern California instrumental gang. As the discussion should make clear, the "cultural-instrumental" pattern variable represents contrasting endpoints. Each end of the continuum represents an ideal type or construct, but any given gang may contain features of the other. And we shall also conclude that black cultural gangs in Los Angeles are increasingly being dominated by instrumental drug dealing values.

3. How is Street Drug Dealing Organized?

Gangs that are organized solely for the purpose of distributing drugs often refer to themselves as "organizations," because they have a direct relationship to the distribution and sales of drugs. Members enter the organization for instrumental reasons — because of their interest in earning money via drug sales. Since these organizations may be territorially based, that feature alone does not distinguish them from what we are calling the cultural gang.

The distinction between the cultural and the instrumental gang is highlighted by the different priorities of neighborhood and criminal activity such as dealing drugs. Although instrumental gangs may be organized around a territory or even a neighborhood, their neighborhood connection is far less salient than their financial goals. A northern California dealer reports that he always had an opportunity to get into a gang to sell drugs. That was the purpose of the gang, to be a business:

"They (the higher ups) liked me because they seen I know how to make money. And they trusted me. They knew my brothers. But trust came from when I got to the point where I was an asset. You know what I am saying? They knew I could make the money."

Cultural gangs, by contrast, are not initially organized for financial reasons. Criminal activities — stealing hubcaps, cars, burglaries — have traditionally been a contingent feature of the southern California cultural gang. As Joan Moore¹ points out, "In the poverty environment, small scale extortion was (and is) fairly common among teenagers to obtain public consumption ends."² Klein's earlier study of an east Los Angeles gang shows similar patterns of delinquency — theft, truancy, status offenses such as incorrigibility — as a minor part of gang life.³ Moreover, gangs have always formed some important part of the illegal economy, with the sale of drugs, particularly marijuana, heroin, and PCP, as part of an "innovative" response to economic deprivation and restricted economic opportunity in the larger society.

Nevertheless, in contrast to the instrumental gang, the cultural gang exists prior to and independently of the illegal activities in which it is engaged. At least on an ideological level, gang and neighborhood values dominate over pecuniary ones. Thus, a young man who describes himself as a "rollin' 60s Crip" denies that his organization is primarily a drug dealing gang, that drug dealing is incidental to the requirements of gang membership:

"Nah, it's for fun. It's part of being bad and being part of the neighborhood. Like if someone come shooting up our neighborhood, we go back and shoot up theirs. If we kill somebody, we kill somebody. But you don't have to sell drugs. People sell drugs for the money, not because they have to to belong to the gang. The only thing you have to do is protect the 'hood.'"

So the concept of loyalty to neighborhood prevails in the cultural gang, at least on an ideological level. Members of cultural gangs refer to themselves as an extended family, as a community. Notions of brotherhood, sisterhood, loyalty and respect, especially for those who are more experienced or older were cited as important values by our respondents. These values are frequently described as "sacred" and form the backbone of the gangs' organizational structure. Thus, the gang or the set is considered as a familial resource, with strongly held values of attachment and loyalty. The cultural gang is a place where individuals can turn to "homeboys" for financial support, physical protection, and other assistance when necessary.

Significant ethnic differences are also apparent among L.A. neighborhood gangs. Family and community ties are most apparent among Chicano gangs, which sometimes are traceable back through several generations. The individual gang member is expected to assist other gang members in times of need and to uphold the neighborhood gang name. Relationships among the members evolve around familial notions of togetherness, respect and loyalty. These Chicano gangs have a history that predates involvement with contemporary drug trafficking. For these gangs, drug selling is usually an incidental feature of gang life. Traditional gang values of machismo and being a "warrior for the barrio" still appear to dominate.

Black gangs are different, although organization is also based on family notions of respect, loyalty, and brotherhood. One difference is in tenure of origin. It is almost as if black gangs in the southern California area were loosely modeled upon Chicano gangs, but do not have their stability and rootedness in history. Another is in neighborhood solidarity. Although black gangs identify with neighborhoods, they do not seem to command the solidarity and traditional values of local Chicano neighborhood gangs. Police are especially skeptical of the cultural basis of black gangs in L.A., particularly as these are increasingly involved in the crack cocaine trade. Police we interviewed on the whole maintain that Chicano gang members practice their ideology of loyalty, while black gang members are in actuality less tied to expressed gang and neighborhood norms than to financial

incentives and other forms of self-interest. These are said to include "dealing" with police and informing on others.

Indeed, some of our interviews suggest that neighborhood gangs are being organized primarily for instrumental reasons. Individuals are being attracted to gangs, not for what they represent to others in the neighborhood, nor for that matter what they represent to other gangs, but rather for what they represent in opportunities for drug dealing. Thus, one respondent comments:

"Some people say they get walked on the set or jumped on the set . . . Now it's different . . . there's dudes that I see here that be telling me they're from my neighborhood, and I'm sayin', I don't know you. When did you get in our neighborhood? But it's different because you got drugs — cocaine."

"People joining, I figure myself, they join the gangs, because in the gangs, I guess if you got a gang behind you, you stronger. It's easier to distribute cocaine if you got a lot of people to sell to or to sell for you. It's safer because there's one person that come in our neighborhood that want to sell cocaine, if nobody know him, then whatever he got . . . it's going to be ours . . ."

Still, black gangs also identify with an overall gang structure associated with the larger neighborhood. The largest structure is the Crips and its rivals are the Bloods. The concept of rivalry seems significant for these cultural gangs, with violence as a symbol of personal and neighborhood respect and identity, especially in the neighborhood "set." A Crip will fight a Blood for reasons seemingly similar to those which might motivate a Serbian to fight a Croatian — because of a perceived traditional rivalry. Youngsters grow up and distinguish themselves in "gang banging," that is, in fighting with other gangs over matters that are seen as central to identity.

By contrast, the predominantly instrumental gangs in Oakland and San Francisco do not, on the whole, recognize or give deference to such traditional rivalries. This does not mean that they will refuse to engage in violence. On the contrary, they can be pitilessly savage. But when such violence occurs it seems primarily to be instrumental — the gang seeks to maintain or expand its territory, to enrich its economic opportunities or to protect its authority. One northern California informant described having participated in three gang wars. When asked how these wars came about, he said:

"Disrespect. Turf. Selling dope on our turf. One war even came about within my own circle." He describes how a younger member of his gang tried to cheat him out of ten kilos. "He's a gangster too, but you can never underestimate anybody in a dope gang. You always have got to watch out for the motherfuckers. They're always looking to take your position. They will cross you out to the penitentiary or cross you out to the graveyard."

Whenever possible, northern gangs prefer not to fight for territory. As self-perceived organized criminals they prefer to develop understanding of territorial boundaries, an almost rational sharing. Of course, rational sharing doesn't always happen, anymore than it does among traditional Mafia families.

But youthful "gang banging" of the sort engaged in between Crips and Bloods is viewed disdainfully. A northern California drug dealer describing Los Angeles Crips and Bloods says:

"They're sick. They're stupid. They don't got no intelligence. They follow colors and shit. They just out there for the glory of the thing." When asked if he would engage in violence, he replied: "Without a doubt. Ain't no question. But you try to stay away from violence, because the violence brings publicity. In a dope gang, violence is the worst thing. The police is not the worst thing for the

dope gang. It's the media and the public. Drive-by shootings brings in a public outcry and the media. And that quite naturally means that the police have got to step up their investigations." He concluded, "San Francisco, northern California is much different from Los Angeles."

In Los Angeles, dress code or the use of a particular color distinguishes black neighborhood "sets" from Chicano gangs. Black gangs dress according to colors while Chicano gangs have not traditionally associated themselves with any particular color symbol or gang, but that may be changing. One of our respondents reported a degree of association between Chicano and black gangs:

"They be Mexicans that are Crips and they be some that are Bloods. They really just come down for their friends 'hood, like say their friends are Crips and they be in trouble, then the Mexican gang come down too and then others call them a Crip gang, but they really a Chicano gang. That's all it be."

Set members usually identify their local set or gang with a particular street, and wear red or blue "rags" or bandanas to symbolize their association with the Crips or Bloods gang, although other colors are sometimes worn as well.

Almost all the interviewed respondents, members from neighborhood gangs and drug-dealing organizations, agreed that an individual becomes part of a neighborhood gang, set, or organization by "growing up in the neighborhood." The "homeboy" serves an important function in both the instrumental and the cultural gang. Since each gang will freely engage in illegal activities, the "homeboy" offers protection against any sort of infiltration, either by the police or rival gangs. This is true of northern California instrumental gangs as well. "Homeboy" status is everywhere a symbol of trustworthiness, but neighborhood identity is most significant in the Chicano cultural gang. Joan Moore explains that the territorial basis of gang membership is almost a truism "because young male peer groups all tend to be based in some local network." And she adds:

"But for Chicanos the territoriality is very deep. For gang members the word for gang and for neighborhood is identical. 'Mi barrio' refers equally to 'my gang' and 'my neighborhood.' This complete intermingling of peer group and neighborhood identity is a core characteristic of the Chicano gang, and extends even to the gang member who resides in a different barrio."⁴

Black gang members whom we interviewed also claimed and expressed strong neighborhood ties. Whether these are as symbolically meaningful as those of Chicano gang members we are not in a position to say. Certainly there are recognized neighborhood affiliations which black gang members are willing and expected to risk their lives to defend. One of our black respondents commented on how an individual becomes socialized into becoming a "Blood" in his neighborhood:

"You just grow up in the neighborhood. If you ain't a member you will be one. Everybody part of the 'hood, not everybody be down and all that, but when you growing up, like age ten or something, your brothers be saying 'Blood' to you and all this, homeboys saying, 'Hey, Blood' because that's what we say when we talk to the homeboys . . . you know . . ."

But not everyone growing up in the neighborhood is considered part of the gang or the set. In the instrumental gangs of northern California, "homeboys" develop reputations by performing economic services, such as acting as lookouts for police while drug dealing is in progress, or steering customers to drug dealers. Many L.A. gangs, by contrast, require each member to satisfy some pre-established membership criteria before he can be considered a "homeboy" or an official member. Membership criteria may include anything from getting beaten on (often referred to as getting "jumped") to selling drugs, even killing a rival gang member. "Getting jumped in" is a common membership practice

among Chicano gang members, while "riding" on a rival gang territory or participating in "gang banging" against a rival gang establishes membership in most L.A. black gangs.

Generally, individuals acquire membership by proving themselves in some form of physical violence or prowess to other members, especially the older gang members, referred to as OG's (Original Gangsters), or the most respected members. The individual must be respected as a reliable and loyal fighter to qualify as a gang member. Indeed, the combination of toughness, ability as a fighter, and loyalty seem to form the basic membership criteria as well as the normative grounding of the gang. The gangs view themselves, and are seen by other gangs, as urban warriors who must neither admit nor exhibit fear as an emotion. One gang member reports:

"We just expected to stay down for mine, stay on, don't be a punk. See. . .most of the people, ordinary people, see. . .they punks. They can't fight or nothing, you know what I'm talking 'bout? Like in a gang, most people know how to fight 'cause you be fighting with the homeboys and messing around. . .and you do it all the time, it ain't going to stop. You just got to stay down and stay hard."

Another concurs that members must:

" . . .stay down for the gang and not be a sissy, so that when the shit comes down, we's all down and ready to fight back."

The initiating process differs according to the structure and the inherent values of each gang, set, or organization. For example, as a more fundamental requirement, neighborhood gangs require loyalty and respect from their members and members must prove that they can fight and defend the neighborhood against any outsiders, especially gang rivals. Through a combination of fighting and associated behavior the gang member pledges allegiance to the familial values of the neighborhood.

Instrumental drug-dealing organizations also require some sort of membership criteria, but the requirement is a willingness, indeed a motivation, to participate in a lucrative, and more importantly, a risky and often dangerous business. The desire to make money and the individual's disposition to take the risks associated with the business fulfill some of the mandate, but respect and loyalty and proof of the two are also involved.

An individual must show that he can be trusted, that he is a worthy business person. One way of establishing trustworthiness is simply by having grown up or lived in the neighborhood where the organization operates or sells its merchandise. There the individual can make his connection into the drug business. The connection alone presupposes some trust; for the individual would not have made the connection had there not been some trust already established. Membership criteria within the drug-dealing organization serves the purpose of protecting the drug-dealing business, as well as promoting its success and prosperity.

One can also attain the status of a "homeboy" through adoption if one successfully sells drugs for another higher ranking "homeboy." One of our respondents told how the adoption mechanism worked:

: "If they sold dope for me, that would be my homeboy and if he's my homeboy then he's everybody's homeboy. As they say workers, or whatever, that's my worker, so . . . he's in with everybody. Something happen to him, it's all our responsibility just as it's his responsibility."

Family ties are everywhere important. Having an uncle, a cousin, or a relative in a gang, set, or organization facilitates membership and serves as *prima facie* evidence of character and reliability. Trust and respect easily follow. We were told that gang members with very strong kinship ties to the gang might not have to fulfill any additional criteria; kinship alone will suffice. Thus, one respondent

reported that he did not have to meet any of the required membership criteria, like being "jumped in" or having to fight with other "homeboys," because of his kinship association with the OG's (Original Gangsters). He stated:

"You got to do something to become official, like hurt somebody, like our enemies, or get jumped and getting to fighting with the other homeboys, but not me. My relatives set me up. I didn't need to do nothing."

Family ties and close associations are just as important within instrumental drug-dealing organizations. Since the business is so risky and dangerous, family ties often lessen the strain of maintaining trust. A member will trust his brother over a non-relative. Furthermore, the individual with family ties will find it easier to participate in the business and make more money, not only by having members to trust and rely on for information and other assistance, but by using family ties to advance in the hierarchy of the gang.

Overall, both cultural gangs and instrumental gangs require each member to prove himself in some form or other. The major difference is in what the "gangster" is supposed to prove, depending on the organizational purpose of the gang. The cultural gang stresses the survival and protection of a community and a neighborhood, while the organizational gang demands proof of ability to protect a lucrative and often dangerous business.

This difference in organizing purpose — between sustaining neighborhood identity for the cultural gang and pursuing business profit for the instrumental gang — is also importantly evidenced both in the use of violence by gang members and in the pattern of their drug involvement. Violence is certainly a central aspect of both cultural and instrumental gang activity. But our data indicate that violence is used for differing purposes as between the gang types. Purpose in turn affects the frequency of the incidence of violence, the resources gangs are likely to have for engaging in violent activity, and ultimately, the degree to which gang violence is susceptible to control by law enforcement efforts. The violence of cultural gangs has traditionally centered on retribution and the assertion of neighborhood gang identity. Instrumental gangs, by contrast, employ violence to control or expand their drug business and markets. Thus, depending upon the stability of the market, the instrumental gang may be more or less violent than the cultural gang. The cultural gang protects its neighborhood, a stable area. It engages in violent activity for two reasons: to protect the turf identity and to protect the drug market. As the latter sort of violence occurs in the cultural gang, it begins to look more like the instrumental gang.

The frequency of instrumental gang violence depends on territorial stability. If the market is stable there is little violence. But if the market is destabilized, whether by a rival instrumental gang or by law enforcement, then violence is likely to erupt, as it did in Oakland after the arrest and conviction of three major drug dealers and their lieutenants. At the same time, there appears to be an inherent instability in instrumental gang markets provided the gang seeks to expand; or provided another gang seeks to cut into its territory.⁵ Thus, the illegal entrepreneurial character of the instrumental gang may compound both the frequency and severity of violence because violence is ultimately the basis of its effectiveness; the instrumental gang only exists and thrives insofar as it can control a market and intimidate its competitors. By contrast, the authority of the leaders of cultural gangs rests on tradition as well as on power.

This could possibly have important implications for law enforcement strategies. Law enforcement efforts might be able to limit and inhibit the violence of cultural gangs by arresting leaders or depleting the number of gang members. But imprisoning instrumental gang leaders may destabilize markets, with new entrepreneurs employing violence to assert control over the lost markets. Yet we must caution that, as cultural gangs begin to develop into instrumental gangs, the distinction may be less significant. One of our respondents reports that traditional cultural gang identities are becoming less salient as cultural gangsters are motivated to become organized drug criminals, that is, as persons

for whom rational economic motives come to replace traditional neighborhood ties and associated values:

“When I was coming up . . . either you was a Crip or you was a Blood, and if you was a Crip, Bloods was your enemies. Nothing in between. No friendship or nothing. No understanding. But now you might see a neighborhood that is Blood and Crip together. But that’s because they got something going on with drugs. They got some kind of peace because of drugs.”

4. What Marketing Arrangements are Associated with Street Drug Dealing?

In many commercial transactions which tend to deal with large sums of cash, the degree to which an individual is trusted — perceived as a good risk — will determine whether credit will be extended. Our research indicates that this holds true for those transactions involved in the street dealing of cocaine as well. At various points during the trafficking enterprise, it is not uncommon for cocaine — in whatever form — to change hands without payment being made at that time. As should be expected, however, the prevalence of this varies according to the relationship between the individuals involved.

In the early stages of cocaine procurement, in those transactions which generally involve two wholesalers and large quantities of the drug — usually a kilogram or more — we find some evidence that drugs may be offered on consignment. For example, we found at least two reported instances where dealers were able to obtain large quantities without paying for them simultaneously. The first involved a San Francisco dealer whose family appears to have had strong connections with organized crime and the drug supply business. The second involved a Los Angeles area supply system which would allow dealers to pick up four tires full of cocaine at a dock, drive them back to their neighborhood, deliver three, and keep the fourth as payment for making the delivery. In the first example, long-established family ties made consignment a low risk; in the second, the deliverer simply performed a service for which payment was made in cocaine.

Interviews with Los Angeles area street dealers suggest that by the time the drugs reach the neighborhood where they are ready to be put on the streets for sale, credit transactions are common. Neighborhood dealers often have in their employ several people from the same neighborhood who work on the streets as retailers. These street dealers are often given on consignment a certain quantity of drugs by the dealer they work for and are told to bring back a certain amount of cash, usually amounting to three-fourths of the total value of the drugs. Our respondents indicated that these amounts might be as low as \$100 worth of crack, with \$75 being returned to the supplier and \$25 being kept by the seller. This seems to be the low end, however. Normally, drugs offered on consignment might have street values varying between \$700-\$800 and \$3,000-\$4,000. Three-quarters of the street value must be returned to the seller. The remainder of the drug is usually sold by the street dealer and the profits either spent, saved, or reinvested in the drug business, although occasionally it is simply consumed by the seller.

Our interviews indicate, however, that almost without exception, known cocaine users are not trusted enough by dealers to be given this type of responsibility. Indeed, several of the dealers we interviewed spoke derisively of users. One respondent said:

“People who buy the drugs . . . we call them ‘cluckheads,’ ‘caneheads,’ ‘crackheads,’ things like that. You can’t sell drugs and use dope at the same time, ‘cause you won’t get nowhere. You’re not going to make no money. So, basically, I try to keep myself away from people who sell and use drugs, ‘cause otherwise you come up short for money.”

The trust needed to make street-level consignment purchases generally evolves in one of two ways: either the street seller is kin or a close personal friend of the supplier, or the street seller has shown through past business transactions with the supplier that he or she is dependable and can be trusted with more responsibility.

Similar trust is rarely extended to street consumers by sellers. Buying on the street usually requires cash to be paid at the time of purchase. This is sometimes attributable to a lack of personal knowledge of the buyer, which precludes the building of the necessary trust, and sometimes to the simple fact that the buyer is a cocaine user and as such is perceived to be unreliable.

Some exceptions to this general picture can be found. At least one seller indicated that he would sometimes extend credit to a buyer he knew would be receiving either an unemployment or welfare check within a few days. More common than this type of credit allowance, however, is the situation where a buyer will try to exchange other goods for drugs. Several sellers related stories of buyers offering sellers guns to exchange for drugs. And one seller described a veritable black market where food stamps are commonly exchanged for drugs at a rate of half their face value. Another dealer reports that he was approached by a woman interested in exchanging a child's bicycle for drugs, although the offer in that instance was refused.

Individuals or Gangs?

It is possible to be — indeed, we spoke with some dealers who were — “self-employed.” In these instances, connections necessary to maintain a supply of drugs came from family involvement or from personal friendships made within the setting of organized gangs. These connections usually emerged from friendships which developed over time and often lasted past the period of active gang participation or engagement in drug trafficking. Individual sellers may be socialized in gangs, but may also prefer to sell on their own. One respondent described the process by which this happens:

“If a person wants to sell drugs on his own, he sells drugs on his own. You see people growing up together selling drugs together, but then one say, ‘Fuck it, I want to sell on my own.’ He figures he can come up with more on his own.”

The individual seller does not actually need a gang to sell drugs. He can still protect himself from competition or contractual breach, although probably not as effectively as those who belong to an organized gang. Weapons are as available to an individual as they are to a group. However, areas controlled by established drug organizations would appear to be effectively off-limits to any but the most inconsequential competition. This appears to be true in the streets of Los Angeles, where gangs may sometimes dominate, albeit not entirely control, the illegal drug market. Where that occurs, organized street gangs may serve as protective organizations when called upon to do so by the member engaged in drug selling.

Thus, the organized gang offers several advantages to the drug dealer who is a member: First, the gang member can rely on his “homeboys” for protection if anything were to happen to him in or outside gang turf. Second, gang members enjoy easy control and access to territorial markets. They can sell drugs in their own neighborhood without intruding upon the turf of others. In return, they can exclude others from selling on their turf — and this territorial monopoly is backed by force since the gang automatically protects against outside intruders. Third, trust inheres in the “homeboy” relationship, so gang members are expected not to betray other members to the police or rival gangs. Fourth, gangs offer a rich source of shared marketing information. Information about who sells what for what price and who has which drugs available is more easily communicated along gang lines.

Individual drug dealers — and there are some — do not enjoy the same advantages. They must establish their own turf and be careful not to intrude upon gang turf. In addition, they must establish

their own clientele. But they do also enjoy the advantage of not having to fulfill gang obligations, which in Los Angeles may result in serious injury or in death.

Law enforcement officials believe that street gangs dominate the rock cocaine traffic in Los Angeles.⁶ This perception was recently challenged in a study by Malcolm W. Klein and Cheryl L. Maxson.⁷ Based on an analysis of 741 cocaine sale arrests made in five sections of Los Angeles where gangs are thought to dominate, the study found that in 75 percent of the cases no gang member was arrested as a suspect.

Is it possible to reconcile the Klein and Maxson findings with law enforcement perceptions? We think it is: the report studied the years 1983 to 1985, the first years in which sizable amounts of "rock" cocaine began to be sold in Los Angeles streets. If the study were redone today, researchers might find more gang involvement as rock cocaine has become more popular. Yet Klein and Maxson seem to reject that interpretation because, despite a huge 375 percent increase in cocaine sales arrests between 1983 (233) and 1985 (1,114), the proportion of cocaine sales arrest data with at least one arrestee identified as a gang member increased by only 213 percent. Indeed, they argue that, to the contrary, gang involvement might well diminish over time.

Based on our interviews, however, plus a careful reading of the Klein and Maxson study, we conclude that police perceptions of gang involvement are probably more accurate than those of Klein and Maxson because their underlying assumptions tend systematically to understate gang involvement.

The Klein and Maxson statistics were generated from Los Angeles police gang files. When a young man is arrested for selling cocaine in Los Angeles he may or may not be identified as a gang member by an arresting officer. If so identified, his name is entered into a gang member data base. Nobody knows what percentage of Los Angeles gang members who sell crack find their way into this data base. Los Angeles Police Department officers familiar with the files, whom we interviewed, estimated that no more than 50-60 percent of Los Angeles gang members have been identified in police files. Generally, we were told, gang members are reluctant to identify themselves. This factor might in itself explain an undercounting of gang involvement in cocaine sales.

If police files contain less than 60 percent of L.A. gang members, two other inferences might be drawn. One is that the remaining 40-50 percent of unlisted gang members do not sell drugs. That is possible but unlikely. Alternatively, they might not have been caught. Although we don't actually know whether gang membership increases or reduces a drug seller's chances of being arrested, gang members who aren't arrested and identified cannot be processed into the files.

More importantly, the Klein and Maxson study seems to assume that drug sellers who belong to gangs and those who don't, have similar chances of being caught. As we point out above, gang members tell us they enjoy numerous advantages over individualized sellers in the crack cocaine trade ranging from control of markets to reliance on gang members to protect against intruders, including the police, using kids as lookouts. Experienced drug dealers are more effective at identifying undercover police. So a significant advantage of gang membership might well be the capacity to evade arrest while selling drugs, even as police are actively trying to arrest gang members. By contrast, individual drug dealers are less organized and less stable entrepreneurs.

Klein and Maxson assume a constant ratio of drug sales to drug arrests, irrespective of gang membership. But if gang members are, on the average, more efficient drug sellers, and engage in significantly more sales than non-gang members, they would be arrested less frequently than non-gang members per unit of sale. Suppose that for every hundred sales gang members are arrested once, while non-gang sellers are arrested twice or even three times as often. This factor alone — an inconstant relationship between sales and arrests — could easily account for police perceptions of high gang involvement, while Klein and Maxson would find low gang involvement per unit of arrest for selling cocaine.

Surely all three factors — change in time, the limits of gang file identification processes, and the drug-selling efficiency of gang members — could help explain the difference between the Klein and Maxson findings and law enforcement perceptions of gang domination. The Klein and Maxson statistical study is by no means badly done. On the contrary, it is an able study using a limited data base. Our own qualitative research is likewise limited. On balance, however, we think that law enforcement perceptions of gang involvement in the drug trade are sharper than the Klein and Maxson statistical study suggest. But both studies show how difficult it is to make precise claims about the facts of the drug trade, and why we need a variety of research methods to understand the complexities of illicit drug use and distribution in our society.

Effects of Imprisonment

Correctional facilities are a fertile ground both for developing drug business contacts during incarceration and for affirming the identity of gang members. A recent article on gangs in Venice, California concludes:

“Being respected for going to jail is only one aspect of a curious system of beliefs in Venice. It seems as if the social stigma that most of America attaches to things like killing, going to jail and being addicted to drugs is not attached to such things here.”⁸

Prisoners say, and correctional officials confirm, that drugs are routinely marketed even in prisons. Our informants differ mainly on the extent to which they acknowledge that guards are involved in drug smuggling. As might be expected, prisoners we interviewed claim that guards are seriously involved, while prison officials maintain that prisoners grossly exaggerate guard participation in the prison drug trade. In any case, both agree that drugs are routinely smuggled into prison by relatives, wives and girlfriends. These civilian visitors pass the drug through physical contact with prisoners, who in turn secrete the drugs into body cavities.

Correctional institutions also affirm the identity of gang members through well-intentioned and seemingly rational administration of the institutions. Correctional officials seek to identify the putative gang affiliation of every inmate and ward, as a means of avoiding conflict and bloodshed among rival gangs. In one institution in which we interviewed, drug dealers from northern California had no connection with southern California street gangs. Correctional officials referred to them, and they to themselves, as 415's — the area code for the San Francisco Bay Area.

Ironically, by structuring inmate assignments along gang lines, the correctional system inadvertently confirms the gang identity of inmates. Moreover, the identification of one's self as a person who has served time affords the inmate an alternative kind of “homeboy” status — the prison becomes a kind of neighborhood. Today's California correctional institutions, overcrowded as they are with parole violators, have become, in effect, schools for advanced drug-dealing connections. Drug dealers who leave prison are rarely, if ever, reformed. On the contrary, imprisonment for drug dealers, both gang and individual, may well serve functions similar to those conventions perform for business people and scholars — as an opportunity for “networking.”

5. What is the Market?

Why do people buy and use drugs? An obvious answer might be that people use drugs because they induce pleasurable feelings. There is something to that answer, but it has limited explanatory force. First, large numbers of people do not use drugs, as perhaps most readers of this report do not — even though they are abstractly aware of the psychoactive pleasures that drugs may offer.

Second, drugs don't necessarily offer pleasure, at least initially. First use may be unpleasant, even painful. Thus, many readers of this report who have never used heroin or cocaine may well be familiar

with effects of cigarettes and alcohol. Cigarette smokers rarely, if ever, begin a smoking pattern because cigarettes initially offer pleasure. On the contrary, a smoker's first cigarette usually induces coughing, nausea, dizziness, and so forth. Similarly, few first-time users of alcoholic beverages find the taste of whiskey, beer, or wine pleasurable and often describe the initial taste as harsh or bitter.

Initiates who smoke or drink must learn to define the experience as positive. Cigarette smoking or drinking is rarely initially pleasurable, but is defined in peer groups as socially desirable, that is, as a sign of masculinity, feminine independence, maturity, and so forth. Initiates have to learn, and are taught, by peers or role models to ignore initially negative sensations and to appreciate rather than depreciate the experience of smoking or of drinking beverage alcohol.⁹

We use the example of harsh-tasting cigarettes and alcohol — particularly cigarettes — to illustrate the subtle yet extraordinary influence of peer and similar social influences — movies, television — on adolescents to engage in what virtually introduces itself as health destructive behavior. After an individual smokes for some time, cigarette smokers typically develop a physiological and psychological addiction that can be very hard to escape. But the essential point is: the unpleasant feelings generated by the initial inhalation of smoke, followed by a continuation of smoking, are testimony both to how a reality can be socially constructed and to the powerful influence of peer pressure and wider social pressures, especially for adolescents, but for adults as well. Harvard Medical School Professor Norman Zinberg reports that marijuana initiates are often fearful, but their apprehensions are tempered by friends and associates who guide the initiate to use the drug “correctly — and safely.”¹⁰ In sum, drugs and their effects must be understood sociologically as well as pharmacologically.

Cocaine

What if a drug is initially enjoyable as well as addicting and is associated with life in the fast lane? Cocaine connotes speed and success — Hollywood, jazz, rock, sports, money.

The focus of this report is on cocaine, particularly crack cocaine. According to the National Institute of Drug Abuse, the number of people in the United States who use cocaine has increased dramatically from 5.4 million in 1974 to 21.6 million in 1982 to approximately 25 million in 1986.¹¹ Why has the market for this drug increased so dramatically? One part of the answer has to be its affiliation with socially attractive people. As the movies of the 1940s portrayed heroes and heroines as cigarette smokers and cocktail drinkers, the movies of the 1970s and early 1980s largely showed a positive picture of cocaine use, often with a wink at its potentially addictive side. In any case, the combination of social desirability with euphoria — not sputtering or coughing — suggests why increasing numbers have tried the drug.

What are the drug's effects? These vary, depending upon dosage. But in contrast to the effects of cigarettes and alcohol, effects are rarely unpleasant to the initiate. Two leading authorities describe its consequences as “. . .the pleasant stimulation that makes it a recreational drug.”¹² High dosages are said by other authorities to produce an “intense euphoria.”¹³ The combination of euphoric effects plus association with glamour and prestige render cocaine a very attractive drug, despite its illegality. People use it partly for its effects, but they begin to use it for reasons similar to those inclining individuals to initiate cigarette, alcohol and marijuana use — their friends introduce them to the drug and praise its properties. One of our respondent drug dealers reports how he was introduced to freebase cocaine:

“Like I said, I learned from older dudes that used to hand out in my neighborhood, that used to hand out at the corner. One night they told me there was this new kind of hot. So I tried the shit.”

The new kind of "hot" was called "wet base" in the street. It is a form of cocaine nearly free of adulterants. It was called "wet" because the adulterants were released by heating ether with the powder cocaine. Ether is, however, highly inflammable. The actor Richard Pryor suffered severe burns freebasing with ether.

Sometime in the early 1980s an underground chemist — nobody we interviewed knew precisely who, where or when — figured out how to freebase safely by adding baking soda to the powder and heating the mixture on a stove, or in a gas or microwave oven. The result is a dry form of cocaine called "crack" or "rock." This is nearly pure, heat stable cocaine, suitable for smoking. "Absorbed across the pulmonary vascular bed," write the neurologists Golbe and Merkin, "it produces a more intense euphoria and more precipitous withdrawal than cocaine HCL and is therefore more addictive. It has come into widespread use since 1984."¹⁴ Indeed, it makes sense to consider crack cocaine as a kind of designer drug. After all, powder cocaine has been available since the 19th century. Crack cocaine is an underground designer's method of purifying the agricultural product, combining low cost with high absorption through smoking. (Nasal ingestion limits cocaine's impact because cocaine constricts small blood vessels and slows absorption.)

Whether cocaine is addictive depends upon how addiction is defined. Smith and Wesson write that "Many clinicians describe cocaine as non-addicting because of the absence of a well defined withdrawal syndrome. We define addiction as compulsion, loss of control, and continued use of a drug in spite of adverse consequences. Using this definition, cocaine is definitely addicting."¹⁵ One of our respondents, who used to freebase, describes the sensations of crack:

"It's not addicting like your body craves it. You're not going to get sick and shit by not smoking. Only thing that craves crack is your mind. It's like an illusion. You hit the pipe, you are whatever you fantasize you want to be. Like you are Al Capone. You're into basketball, you are Magic Johnson. Say you're into music and you're basing. You feel like you are James Brown or Stevie Wonder or Michael Jackson. It makes you feel like what you really want to be."

This same dealer also describes selling crack cocaine as a "money making machine. . . because they got to have it."

Who are the Market?

Who are the "they?" Even a cursory knowledge of cocaine use and sale suggests there may be several markets and therefore different commercial organizational networks to service these. Can it be that the same organizational patterns of wholesaling, distribution, and sale apply in Bel Air and East L.A., in Sausalito and in Oakland? If not, an important distinction may need to be drawn in regard to the social positioning and relationships between dealers and users. The "drug problem" may also need to be analyzed according to violence proneness. Much concern has been expressed by inner-city residents over street drug dealing because of the violence that has come to accompany it. Who buys in the street? Are they the peers of the dealers or are they working-class people who lack the connections to buy in the pricey hills?

Our research in this area is unfortunately limited. Although we do have a reasonably clear idea of who sells in the street — i.e., how the distribution, wholesaling and retailing of crack cocaine work in the inner city — we are less aware of how cocaine is sold in the suburbs, upper-class neighborhoods, to business people. We interviewed, north and south, inner-city dealers but we should not assume that the inner city is the only cocaine market, either for powder or crack cocaine. The other dealers, the ones that deal to the affluent, seem to be able to escape law enforcement, and in any case do not belong to street gangs. We strongly recommend further research to investigate cocaine use and distribution in other social strata. Inner-city dwellers are not the only people using cocaine in our society. Our

research is confined to the inner city, but it would be wrong and misleading to generalize from our findings to the entire cocaine market.

An inner-city crack cocaine marketplace is graphically described by cultural anthropologist Benjamin Bowser in Bayview-Hunter's Point, a low-income, predominantly black section of San Francisco, where Bowser conducted an ethnographic survey and observed crack sales. One can scarcely summarize or improve upon his vivid description, so we reproduce it here:

"In Bayview-Hunter's Point, there is both a high visibility crack trade and a less obvious crack trade. The primary, headline-grabbing crack dealing involves young black men in their late teens to early twenties who sell the drug to people who drive into the community to buy it. These young salesmen, who are the most visible members of the sales network, are assisted by three other groups. First, there are 'near-in-lookouts' who double as guards: they look out for undercover police, rip-offs, rival gangs and any other threat. Then there are 'runners' who carry new supplies of crack from off-street locations to the curbside dealers. Finally, there are the 'far-out guards' who provide long range warnings. The curbside dealers are the mature elite, alert and physically trim. They are the most visible, take the most obvious risks and handle the money. The ones I talked to or learned about did not use crack. One stated, 'I can't touch this s— and stay out here. It's too dangerous to have your mind all messed.'"

"The secondary, and less obvious, crack trade goes on in the alleys, hallways and apartments that adjoin the curbside dealership. The young people conducting this secondary trafficking cater to local customers. They are younger, less disciplined and potentially more dangerous to local residents than the curbside merchants. Many are selling crack to support their own habits. These secondary salesmen take payment in money or in sex. I asked one trafficker why there were no women selling crack. I fully expected he would tell me it was 'too dangerous.' Instead he answered, 'They don't have to. . . they have to "give it up" as part of their payment.' An older man who stood watching sales from a distance told me that he had caught several couples high on crack 'doing it' in the hallway of his building. I asked if this was more common now with crack than before. He laughed and said, 'Man, where you from? These girls used to have boyfriends of sorts. Now, with this crack thing, they'll do anybody, anytime and anywhere. All they want is that dope and sex, dope and sex.'"¹⁶

We found nothing to contradict Bowser in our interviews, including crack cocaine's effect on women. On the contrary, one finding of his and ours is especially important and needs to be repeated both to understand the rationality of drug marketing and the addictive properties of crack cocaine. **Neither the primary sellers he observed (what we call instrumental gang sellers) nor the ones we interviewed — also primary sellers — used crack cocaine.** Successful dealers consider use a business impediment. In one dealer's words:

"I never use cocaine; it's not real when they say that a person that sells ends up using his drugs; that's not true, he's like an outcast . . . you get beat up, dogged out; nobody respects you anymore, it turns you scandalous; the shit will make you steal from your mama."

This suggests that however compelling the drug, those who try it and use it are not necessarily "hooked." Consistently in our interviews we found gang member-drug users who had entirely given up any drug use that would impair their ability to function in their business or maximize profits. So drug dealers, who have as much access to the drug as anyone, are able to defer its gratifications in the

interests of doing business. For them, the entrepreneurial ethic appears to outweigh the pull of the drug.

Another interesting marketing finding is this: crack cocaine selling seems to be associated primarily with black youth. There seems little disagreement about the lack of involvement by Chicano youth in the crack cocaine trade in Los Angeles. To the extent drug trafficking occurs, drugs of choice for both sale and use appear to be PCP (Angel Dust) and marijuana. PCP is often sold in the form of "Sherms" which are Nat Sherman brown cigarettes dipped in the drug. Brown cigarettes are preferred to escape detection, since the drug stains white cigarettes.

We have not discovered, nor has anyone — police, psychiatrists, sellers, users we interviewed — been able to offer a compelling explanation of why drug sales and use vary with ethnicity. Individuals in all groups apparently use alcohol, cigarettes, and marijuana. When we explore harder drug use, however, all of our subjects across the spectrum report that whites use speed and nasal cocaine and some heroine; Mexicans use PCP and heroin, and may be beginning to use crack;¹⁷ while blacks use heroin, crack cocaine, and some PCP. Even in San Quentin, we were told without exception by prison officials, psychiatrists and prisoners that whites used "crank" (amphetamines); blacks, "crack;" and Mexicans, PCP.

With the cooperation of the Alameda County Probation Department we were able quantitatively to verify, to a degree, ethnic variation in drug choice. In Oakland, where probationers are predominantly black, 62 percent of those who tested positive for drugs in 1988 tested positive for cocaine. (Probation officers told us that this in fact is "crack" rather than powder cocaine.) Only 5 percent tested positive for amphetamines, 6 percent for marijuana, while the remainder tested positive for opiates (heroin, methadone). In suburban Livermore, where probationers are predominantly white, only 14 percent tested positive for cocaine, 55 percent for marijuana, 27 percent for amphetamines, and none for opiates.

Heroin seems, however, no longer to be a drug of choice among younger users in any ethnic group. As heroin users die off, we may well find a sharp decline in heroin use over the next decade. This is especially true in the black community, where crack cocaine appears to have replaced heroin as the drug of choice.

The contemporary drug distribution pattern suggests something about drug markets that we also know from history — that drug preference, the epidemiology of drug use, seems much less related to the intrinsic properties of the drug than to the social definition of a particular substance as the drug of choice. A genetic explanation should be ruled out for any number of reasons, but one is particularly compelling. We have seen a generational shift in the black community from heroin to cocaine. This shift cannot be ascribed to genetic differences between generations. Drug preference must instead be analyzed as a sociological preference, a fad or a fashion — long skirts over short, narrow collars over wide, or the reverse — rather than as physiologically or genetically driven.

Profitability

Why is crack cocaine so profitable? Consider that coca leaf is an agricultural product. It is, in effect, psychoactive lettuce. A head of romaine lettuce weighs something like a kilogram (2.2 lbs.) and costs around 50 cents at the supermarket. A kilo of cocaine sold in 1982 for about \$50,000 to \$60,000 in Miami. There is a lot of profitability between 50 cents and \$50,000.

During the so-called War on Drugs years the price of cocaine has diminished considerably. Narcotics investigators in Los Angeles and Atlanta told us in the summer of 1988 that a kilo of 87 percent pure cocaine cost around \$12,000 in Miami or Los Angeles, and 20 to 30 percent more as it made its way north. We have a report that a kilo of cocaine sold in Oakland in October 1988 for \$16,000. That still leaves room for considerable profit, but most of the profit is made when the cocaine is distilled into

"rocks" and retailed on the street. When broken down into rocks, drugs can retail at 8 to 10 times the wholesale price depending on whether the rocks sell for five, ten, twenty, or fifty dollars.

One of the larger dealers we interviewed declines to sell by the kilo. When asked how many rocks he could get out of ten kilos, he replied "It depends on how you sell it. Like with me I sold straight rocks. I don't like to sell weight too much, because you lose money in selling weight. Plus, I had the manpower to sell on the street." We asked this dealer to break down the pricing structure and he reported the following: There are 1,000 grams of cocaine per kilo. Each \$20 rock is .20 of a gram; that is, \$100 per gram. So a kilo will retail at something like \$100,000. Obviously, there are no weights and measures standards for rock cocaine sales. Alameda County authorities report that the rocks they have confiscated range in size from .08 to .33 of a gram.

Typically, a dealer will consign 20 rocks to a street dealer, to be sold at \$20 per rock. The street dealer is expected to return \$300 to the middle dealer. If he fails to carry out his end of the bargain, he will be physically punished and more importantly, his supply will be cut off. We were told that this rarely happens, but when it does it is because the dealer "smoked up" the product. Which is why dealers try to avoid the product they sell.

Market Expansion

Dealers also told us that wholesaling is generally considered to be far safer than retailing even though less profitable, since law enforcement is most limited at that level. Thus, Los Angeles gangs have taken to becoming wholesale distributors throughout the western part of the United States. Eastern cocaine, we were told by Atlanta narcotics police we interviewed, is smuggled through Florida and other points south, and makes its way up the east coast.¹⁸

This is not to suggest that wholesaling is without risk and considerable anxiety, not so much from being caught as from being killed or injured by other drug dealers. As one of our higher-level dealers said:

"About selling dope, it's money, you have a good life. But the worst thing about it is buying it. When you sitting up there in a little motel room and everybody got guns, holding guns, and counting money, you sweatin'. No windows open — nothin' can be open 'cause you got all that dope. And you're talkin' about price. Then I say, 'Well, I can only give you 17 for this right here.' And he says, 'F— that, on the phone you told me different.' You don't want to look weak and he don't want to look weak. All that tension. If I could ever find a way where I didn't have to buy nothing, just trust somebody with all that money, I'd never buy again."

Any discussion of the business arrangements of street drug dealing requires mention of the several and alarming ways drug dealers — particularly cultural gang dealers — are developing increasingly sophisticated business practices. Many of these practices comprise "tricks" of the trade which are most readily and easily passed between gang members and hence must be seen as yet another advantage such gang dealers enjoy over the independent street drug dealer.

First, since a dealer has a drug-selling organization at his disposal, lower-downs in the organization can be and routinely are employed to handle the high-risk work of drug handling. In one dealer's words:

"I don't like touching it . . . even with it in your hand you get a dirty (parole drug) test. Coke is potent, it gets through your hand, you have a dirty test. So I can't really touch it. I just leave it in the plastic . . . and let other people deal with it."

Second, the gangs have learned to employ novices in the drug business to distribute drugs around the country:

“We’d have somebody else, you know that wasn’t on probation or parole, that didn’t have no kind of record — if they were stupid enough to take a chance and do it. Anyhow, they got paid for it.”

Third, they have learned that law enforcement is well aware of color identification of gangs, and so they report that gang dealers have learned to avoid colors, switch colors, or wear neutral colors when completing drug deals. This is also a way of avoiding gang identification by police.

Fourth, they have also learned that it is better to have an effective lawyer:

“On the street, they know for a fact, \$2,000 for a lawyer, you outta here if you’re caught with less than eight ounces. Anyhow, everybody knows that the better your lawyer, the better you do in the courts.”

Fifth, dealers are aware of legal risks and associated penalties. Thus, they generally dislike dealing from houses, because “there’s too much drugs in there if you get caught.” At the same time, there is less fear of being caught on the street:

“The police just give themselves away. You just know them when they come, you know, undercover. It’s just instinct from being a street person. They catch somebody, they catch little naive people with three or four rocks, and they be out of jail right away.”

An L.A. police lieutenant confirmed how difficult it is for undercover police to buy drugs on the streets. He describes police in a disguised surveillance van observing the undercover police. The sellers won’t sell to the undercover police, but they will sell “all around us in the van” to “legitimate” buyers.

Supply and Interdiction

How do dealers obtain their drugs and why has the price of cocaine dropped so steeply? Dealers would offer only the murkiest answers to the first question. Generally, they would say things like, “You have to be plugged,” that is, to have connections to higher ups. They seemed candid about how their own operations worked, but wary about describing those from whom they purchased “weight.” In any case, drugs seem plentiful, as evidenced by the fact that the wholesale price of a kilo of 87 percent pure cocaine has dropped precipitously. It is virtually impossible to identify another product — oil, real estate, wheat — whose price has declined by two-thirds to three quarters in five or six years. And this is true in the face of a government policy to disrupt supply through interdiction.

The drop in price can be accounted for by any number of reasons including increased efficiency of smugglers, rise in demand bringing a larger number of competing producers into the market, or police corruption. Whatever the contribution of any of these factors, the possibility of substantially reducing supply through interdiction seems extremely remote — a point the Rand Corporation makes clear in its study of the economics of interdiction. One reason has to do with the relation between smuggling costs and pricing structure. Actual transportation costs for shipping five kilograms of cocaine is a few dollars. Interdiction practices tax these transportation costs and transform them into smuggling costs. But smuggling costs amount to roughly 10 percent of wholesale and 1 percent of retail prices in the United States. Rand economist Peter Reuter writes, “Fully 99 percent of the price of the drug when sold on the streets in the United States is accounted for by payments to people who distribute it.”¹⁹ So if a kilo costs \$15,000 wholesale, the cost of smuggling is around \$1,500. Military interdiction might, at

considerable cost to the taxpayer, double smuggling costs. But that would raise the wholesale price only by an additional ten percent, and the retail price by one percent.²⁰

Regarding the limits of interdicting cocaine traffic to California, Rand economists make an even more compelling observation in connection with their discussion of the importation of Mexican heroin. They say:

“Interdiction of Mexican heroin appears to be very weak because the U.S.-Mexican border can be crossed at many points (there is little channeling at point of exit or entry), and a high value crossing can be accomplished very suddenly by a single individual in a large crowd of similar individuals (i.e., a low profile target). Consequently, Mexican heroin can be smuggled at a low unit cost.”²¹

Since cocaine is presently being illegally imported into California from Central America through Mexico, a similar observation can be made for the difficulty of interdicting cocaine. A state narcotics agent (of Mexican background) whom we interviewed made the point simply and directly when he said, regarding the possibility of interdicting the cocaine supply into California:

“Four-hundred thousand of my people cross the border illegally every year. How can you stop a much smaller number who carry a kilo or two of cocaine on their back?”

Is Demand Stable?

But suppose we could successfully interdict cocaine or even destroy Central American cocaine fields? Would we assuredly solve our drug problem or perhaps make it worse? The answer depends on our assumptions about the creative potential of underground chemists and the stability of drug choice for any population or cross section of potential users.

We already know much about the creative potential of underground chemists simply from the fact that crack cocaine was unknown in the 1970s. This suggests that there is always a potential for the development and marketing of new or variant drugs. This might be especially so if the supply of currently used drugs were to be eliminated.

We also know that lurking in the background are what the American Medical Association Journal has described as “A Growing Industry and Menace: Makeshift Laboratory’s Designer Drugs.”²² The AMA Journal describes much more potent synthetic drugs that might eventually replace cocaine and other agricultural products. These include fentanyl, for example, which is around 100 times as powerful as morphine and 20 times stronger than heroin. Fentanyl’s medicinal analogs, sufentanyl and alfentanyl, are 2,000 and 6,000 times stronger than morphine. These drugs can produce bizarre, destructive, and unpredictable toxic effects. Fentanyl may be more widely used than we now know, since it cannot be detected by law enforcement drug tests.

Moreover, underground chemists can synthesize powerful narcotics relatively inexpensively and with readily available materials. PCP (Angel Dust) is a synthetic drug which, we were told by Compton gang and vice officers, may be becoming more popular among black youth, with accompanying less interest in crack cocaine. These officers speculated that gang drug marketing beyond the Los Angeles area may in part be attributable to a declining market in Los Angeles. Since drug gangs are not incorporated or publicly traded, their actual economic decisions will always be subject to rumor and speculation. Still, based on what we already know about drug markets, shifting drug preferences, and the creativity of underground chemists, it seems mistaken to base drug enforcement strategies and policies on the assumption that drug markets and preferences are stable.

SUMMARY AND CONCLUSION

1. The Relation Between Gangs and Drugs

We distinguish between the instrumental and the cultural gang. Cultural gangs are not organized for the purpose of selling drugs as a business of the gang. These gangs are typically found in the Mexican-American community and stress loyalty to neighborhood and to other gang members. For these gangs, loyalty norms may even interfere with organized drug selling, since those who possess drugs might be expected to share with other gang members. By contrast, the instrumental gang is organized primarily for the purpose of selling drugs. Such gangs predominate in northern California and perceive themselves as organized criminals. Although neighborhood ties often form the basis for recruitment, the individual's commitment to life-of-crime values is the key requirement for belonging.

The cultural gang, it should be recalled, is not initially organized for the purpose of selling drugs. Its association with drugs begins once members, out of their own self interest, begin to sell drugs. The instrumental gang also employs "homeboys" for the same sort of reasons that the cultural gang does, that is, to socialize "homeboys" into norms of trustworthiness and loyalty. Drugs seem to have become a more significant aspect of black cultural gangs in L.A. than of Chicano gangs, where selling is incidental to gang membership.

Possibly, that is connected to a puzzling yet persistent sociological finding: that drug sale and use are related to class and ethnic background. All of our informants — drug dealers, police, psychiatrists — report that working-class whites prefer crank or speed; blacks, crack cocaine and Mexicans, PCP or Angel Dust. This is true of drugs within prison walls as well as on the streets.

Since crack cocaine appears to be the most profitable drug (for reasons we discussed earlier), and since crack cocaine is sold mainly by black street dealers, the sale of that drug seems to have blurred the distinction between the cultural and the instrumental gang. Black L.A. cultural gangs, which were never as tightly identified with the neighborhood as Chicano gangs, are increasingly becoming instrumental in their relationship toward drugs. Black gangs seem to prize individual initiative and ambition as indicia of status. As a result, the black L.A. cultural street gangs seem increasingly to look like gangs instrumentally designed for the sale of drugs. Moreover, unlike northern California instrumental gangs, L.A. gangs are expanding their marketing throughout the western United States. Hispanic gangs, by contrast, are both local and cultural. They tend to be characterized by stricter authority, leader control and communal loyalty, while black gangs seem more individualistic, less hierarchical, and more economically oriented. Gangs, rather than individual drug sellers, are coming to dominate the street drug market.

2. The Future of Drug Markets

Our findings also point to a significant feature of drug use and sale patterns in California — their potential transience or instability. We cannot confidently predict the future from today's problems. David Musto observes that American attitudes toward drugs from the 19th century to the present have always been cyclical, subject to change.²³ Although interdiction strategies have failed to raise the price of cocaine — indeed it has dropped precipitously — we should not assume that the demand patterns we have described will continue, and for the same drugs. Even if interdiction succeeded in cutting off supply, we might, in a decade, be facing a designer drug problem as serious as the crack cocaine problem we face today. Crack cocaine might be replaced in popularity by another "champagne" drug or just another drug. Some of our law enforcement interviewees thought that the crack cocaine phenomenon had peaked in southern California, and that this accounted, at least in part, for gang expansion into other territories.

This research has convinced us how important it is to expand our systematic knowledge of drug sales and use beyond easily visible or surveyable populations, such as high school students. Such surveys are

valuable, but limited. We also need to develop methods for studying suburban drug markets and higher ups in the importation business. We need to chart changes in parole and probation violation patterns. We also need to track the incidence and prevalence of various kinds of drug use and drug marketing as accurately as possible, and how these vary in response to differing law enforcement and other initiatives, including imprisonment and education. For this research, we will need to be imaginative in our methodologies, employing both quantitative and qualitative methods.

At the same time, anti-drug use education, heightened domestic law enforcement and a climate of opinion shift may lower drug demand and reduce the drug problem. Although in this report on gangs and drugs we have focused on black street gangs, we should also point out that illegal drug sales and use are by no means confined to the inner city, although drug marketing is more visible there. The visibility of selling, coupled with attendant violence as gangs fight for control over public area markets, generates fear, apprehension and anger among law-abiding area residents. Black community representatives all over the state have provided the strongest possible grass roots leadership in combatting drug use and dealers. Their concerns may exercise considerable influence within the community itself, and may well help to turn the problem around.

In a larger sense, the drug problem implicates both the national society and the local community. There is no longer any question that drugs are a national problem that manifests itself at the local level all over the country. To fight the drug problem, communities will need to have resources, not just for exiling offenders to prison, but for creating a social and economic climate where the drug business is not the major avenue of economic opportunity. Viewed from that perspective, as an illegal yet lucrative business, drug enterprising will not disappear unless significant alternatives are made and are seen to be available. The inner-city drug dealers we talked with can be dangerous, sometimes violent criminals. But they can also be described as rational, calculating, enterprising entrepreneurs. Our challenge as a society is to figure out how to turn that energy and intelligence into socially constructive channels.

ENDNOTES

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16. Benjamin Bowser, "Crack and AIDS: An Ethnographic Impression" San Francisco: 2 MIRA Quarterly Newsletter, Spring, 1988.
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22. Journal of the American Medical Association, December 12, 1986, p. 3061.
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