Debts and threats:
Managing inability to repay credits in illicit drug distribution

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Abstract

This study examines how creditors in illicit drug markets manage debtors’ inability to repay “fronted” drugs. Based on qualitative interviews with 40 incarcerated drug dealers in Norway, we explore four outcomes of unpaid drug debts. Two modes of governance dominated the credit reciprocation processes: Cooperative governance included strategies of accepting loss and refinancing debt and required mutual trust between creditor and debtor. Adversarial governance included extortion of debtors and revenge and was based on threats of violence. We found that creditors preferred refinancing debt or extorting debtors over accepting loss or using violence. We argue that the negotiated outcomes of drug debt have been neglected in research on drug markets, and explore how they require investment from the creditor, either in building trust or in deterring malfeasance through threats of violence. Using insights from economic sociology, the study highlights the importance of social control in illegal drug markets.

Keywords: Drug markets/dealing, illegal markets, credit, fronting, economic sociology, social embeddedness
**Introduction**

Credit is essential to the dynamics of many markets. Deferred repayment eases transactions and stimulates demand, but it leaves the creditor vulnerable if a debtor defaults on repayment. In the formal economy, the creditor’s decision on whom to provide a credit is supported by information from commercial credit rating agencies. Intricate contracting further ensures that repayment follows an agreed upon schedule. Should the debtor still default, there is a system of laws and institutions designed to distribute any remaining assets among creditors with legitimate claims (Carruthers & Kim, 2011; Uzzi & Lancaster, 2003). This system of laws and institutions supports the entire credit process to the benefit of the economy as a whole.

Credit is also an important part of the illicit economy, including drug distribution (Desroches, 2005; Adler, 1993; Venkatesh, 2006; Carruthers & Ariovich, 2010). In illicit economies, the underlying problems of information constraints and uncertainty from deferred repayment are similar to the problems with credit in legal markets; however, in illicit markets disputes have to be resolved without legal support (Beckert & Wehinger, 2013). These problems pertain to the eligibility decision. The creditor has to decide if a debtor is qualified to receive credit without reliable information on his past performance (Reuter, 1983). Furthermore, the creditor must monitor the repayment process using only informal means of social control, interpersonal trust and reputational concerns (Rosenfeld, Jacobs, & Wright, 2003; but see Jacobs, 2000). Finally, the absence of contracts implies that there is potential for an interpersonal conflict when debtors do not repay.

Illicit drug markets are regulated by the “visible hand” of violence and threats (Reuter, 1983) and the failure to repay debts may be a main cause of systemic violence (Goldstein 1985). Drug dealers who wish to stay in the business must make sure that creditors pay them back. The criminological literature generally portrays a subculture where the code of the street, respect, and personal reputations drive wronged actors to violent retaliation (e.g. Anderson, 1999; Topalli, Wright, & Fornango, 2002; Brezina, 2000; Caulkins, Reuter, & Taylor, 2006). However, a recent line of research has emphasized the importance of peace to drug markets. This research has shown that the value of debts may be reduced and even losses can sometimes be accepted as a cost of doing business (Desroches, 2005; Zaitch, 2002; Jacques, Allen, & Wright, 2014). Violence is used reluctantly because it is costly, attracts attention from law enforcers, drains organizational resources, and creates enemies (Jacobs, 2000; Benson & Decker, 2010; Decker & Chapman, 2008; Taylor, 2012; Coomber and Maher, 2006). Negotiation may be a rational alternative to retaliation.
While there has been some general emphasis on “peaceful” conflict solution, these negotiated outcomes of drug debts have not been fully scrutinized in previous research on illicit drug markets.

In this study, we examine the different outcomes from inability to repay debts based on a sample of interviews with 40 imprisoned drug dealers in Norway. We review the literature on informal credits as resource exchange and introduce a conceptualization of social control strategies that includes accepting loss, negotiation and violent retaliation. We use a social embeddedness approach (Nootenboom, 1996; Uzzi, 1997; Granovetter, 1985) to analyze the interwoven relationship between economic and social dimensions in the process of providing and repaying credit. We propose that the outcome of unpaid debt is related to the mode of governance used by the creditor. Our emphasis is on the strategies of refinancing and extortion, but we also examine loss and revenge to demonstrate the continuum of possible outcomes of unpaid debt.

**Drug market credits as resource exchange**

Credit is an unbalanced transaction where goods go one way and the seller receives a promise of repayment. We use it to describe the process where a consignment of drugs is given by a creditor to a debtor and paid for later (e.g. upon sale). This is often described as “fronting” in illicit drug markets (Murphy, Waldorf, and Reinarman, 1990, p. 330). Jacques and Wright (2008, p. 234) conceptualized credit in illegal markets as a nonpredatory form of resource exchange where reciprocation is noncoercive and nonfraudulent: “resources are traded unilaterally to a trade partner who agrees to reciprocate the exchange later”. Here, credit is defined by the noncoercive, voluntary reciprocation. However, if the debtor fails to repay, some creditors will attempt to recoup their loss by using threats of violence, fraud or stealth. Conceptually, this means that the exchange is no longer a credit relation, but a predatory resource exchange based on more or less explicit coercion.

The baseline theory for analyzing drug markets is “risks and prices” based on transaction cost economics (Reuter & Kleiman, 1986). Here, the central concern is reducing “frictions” (Williamson, 1981, p. 552) or costs other than the price of the product. In the illicit credit process, frictions come from the uncertainty associated with deferred repayment, time spent with co-offenders during the reciprocation process, and costs accumulated in relation to defaulted debts. These frictions add to the credit price, which will lead to problems of adverse selection and “moral hazard” among debtors (Stiglitz & Weiss, 1981; Reuter, 1983). Adverse selection implies that it is the financially most unreliable borrowers that are willing to pay the higher credit price.
These debtors are more likely to display morally hazardous and incautious behavior because they are desperate to earn money quickly.

Creditors in drug markets assess the debtor’s trustworthiness and record for “‘moving’ product”, as well as their own ability to handle a loss (Murphy, Waldorf, & Reinarman, 1990, p. 337; see also Zaitch, 2002; Desroches, 2005). The combination of limited information and debtor heterogeneity should lead to strict credit rationing (Stiglitz & Weiss, 1981; Reuter, 1983), but there is also pressure on drug distributors to expedite distribution. Drugs are imported in “batches” that are not timed with market demand and this entails a serious problem of holding illicit inventory (Caulkins & Baker, 2010; Adler, 1993; Morselli, 2001). To avoid inventory costs, distributors may provide drugs on credit to facilitate expediency, even in situations with sharp information asymmetry (Venkatesh, 2006). Credit can also be used to attract new business partners, retain trusted partners and expand sales into new territories (Desroches 2007).

In the formal economy, the eligibility decision is supported by credit rating agencies, the conditions for the repayment process are stipulated in a contract, and legal regulation determines how assets are distributed in case of inability to repay (Carruthers, 2005). For illicit credits, these decisions specifically concern an interpersonal relationship. Creditors in illicit drug markets use deferred repayment to loosen budget constraints, expedite distribution, and manage relationships with debtors. Credit can be an investment in reducing inventory costs while acquiring information on partners’ trustworthiness, similar to how credit expedites commerce, and poses and resolves issues of trust in the formal economy (Carruthers, 2013; Uzzi & Lancaster, 2003). The absence of contracting and legal support implies that all decisions on who to provide credit and how to respond to unpaid debt involve intricate interpersonal and reputational considerations.

**Social control in drug markets**

In economic sociological theory, transactions are analyzed as embedded in interpersonal social network ties (Granovetter, 1985; Beckert & Wehinger, 2013; Ganssmann, 2011). This embeddedness is a matter of degree depending on how much exchange partners consider each other’s needs and how much trust and information they share. The interpersonal ties develop over time and promote peaceful dispute resolution but require investments (Uzzi, 1997; Carruthers & Kim, 2011). The aims of these investments are to create compliance and reduce costs. This can be achieved in different ways. Nooteboom (1996) distinguishes between two modes of governance for socio-economic relations: cooperative and adversarial. These governance modes form the link
between the decision on eligibility and price, management of the reciprocation process, and the form of social control that is used in case of defaults.

In illicit markets, social control serves the same purpose as legal regimes for handling inability to repay credits in the formal economy. That makes social control even more important. The outcomes of unpaid debt, for example, heavily depend on the creditor’s mode of governance for resolving interpersonal conflicts. Jacques and Wright (2011) describe social control strategies in illicit drug markets as based on retaliation, negotiation, avoidance or toleration. Retaliation serves both a retributive and deterrent purpose. Retribution is focused on increasing benefits and “obtaining justice without police, courts, or prisons” (Jacques, 2010, p. 188; see also Topalli, Wright, & Fornango, 2002), while deterrence is intended to reduce future costs (Jacques & Wright, 2011). Retaliation need not include violence (Jacques & Allen, 2013; Jacques, Wright, and Allen, 2014), but dealers who do retaliate violently “derive control-related benefits” (Brezina, 2000, p. 780) because they are seen as more costly targets (Caulkins, Reuter, & Taylor, 2006). Berg and Loeber (2015, p. 14) found that violence “attenuates the magnitude of the relationship between drug dealing and victimization”, but it was only among very active drug dealers that a disposition towards high violence protected against victimization. Moreover, violence did not necessarily serve a strong deterrent purpose in markets situated outside of urban street-level contexts. In cases of unpaid debt, social control can be used for both vengeance and deterrence. The aim of both approaches is to increase benefits, obtain justice, and deter future malfeasance, but these strategies are fundamentally different.

Jacques (2010) and Jacques and Wright (2011, 2008; see also Taylor, 2012, 2007) argue that the non-violent forms of conflict management are decisive for maintaining peace and low distribution costs in drug markets. The central component is negotiation, which is “measurable by the degree of convergence between disputants’ ideas about future behavior and the quantity of social commitments therein” (Jacques & Wright, 2008, p. 747). Research on illicit drug markets has found that interpersonal negotiation is most important at the higher levels of distribution (Decker & Chapman, 2008; Benson & Decker, 2010). This degree of convergence between disputants relates to the governance modes (Nooteboom, 1996). The cooperative mode of governance is most clearly seen where drug debts are reduced or dropped when the malfeasance was unintentional and not predatorily opportunistic (Zaitch, 2002; Desroches, 2005, 2007; Jacques, Allen, & Wright, 2014). It can also be seen in cases of refinancing, where terms for repayment are negotiated and affected by the interpersonal relationship between the parties and their history of doing business together. Here,
there is a high degree of convergence. Conversely, the adversarial mode of governance may result in creditors retaliating inability to repay debts (Goldstein, 1989; Reuter, 1983; Jacques & Allen, 2014). This can also lead to extortion of the debtor, where the creditor attempts to recoup his loss by negotiating a settlement under coercion, similar to how loan sharks operate in informal credits.

**A model for outcomes of unpaid drug debt**

In the formal economy, there is substantial variation in the content of the laws that regulate events following the debtor’s inability to repay. Some legal regimes are debtor-friendly and focus on refinancing the credit. This gives the debtor a chance to become profitable again and repay the credit, but it requires that the creditor grants further economic concession. Other legal regimes are creditor-friendly and focus on extortion, liquidating assets and reducing the creditor’s loss without further economic concessions (Ganssmann, 2011; Carruthers, 2005). Based on empirical data from this study, we propose that there is a continuum of strategies and outcomes from inability to repay drug debts in the illicit economy. Bringing together Nooteboom’s (1996) modes of governance, Jacques’s (2010) conditions for retaliation in drug markets, and Beckert and Wehinger’s (2013) comparison of legal and illegal markets, we suggest a theoretical model for the relationship between modes of governance and outcomes of unpaid drug debt (Figure 1).

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Distribution of illicit drugs takes place in networks to overcome the coordination problems that follow from information constraint and lack of price competition (Beckert & Wehinger, 2013). Nooteboom (1996) proposes that there are two ways to manage network relations: cooperative and adversarial governance.

The aim of cooperative governance is to achieve low costs through iterative transactions with trusted partners similar to legal networks (Uzzi & Lancaster, 2003). The cooperative approach to eligibility is to grant credits at a relatively low price to debtors who are perceived to have both intention and ability to repay. The reciprocation process is based on sharing information and building trust, and this requires that the creditor invest resources in the interpersonal relationship. The most radical cooperative outcome is that creditors accept drug debt as lost to uphold a good relationship with the debtor. It is more common, however, to negotiate
what can be described as a debtor-friendly refinancing (Carruthers, 2005). Refinancing requires that the creditor provide a new economic concession in the form of time, money, or drugs. Refinancing can take the form of restructuring or amortization. Restructuring involves either a new credit or a reduction of the debt, or a combination, while amortization implies that the credit is repaid but with a more lenient time schedule.

The aim of adversarial governance is to maximise the creditor’s economic benefits and deter opportunism and stealing by instilling fear in the debtor. This strategy may include a high price or predatory lending to marginal borrowers and is also used in legal credit markets (Carruthers & Ariovich, 2010; Stiglitz & Weiss, 1981). Adversarial governance requires that the creditor have a reputation for willingness to use violence. The most important adversarial approach to unpaid drug debt is to recover the creditor’s loss by extortion. Extortion can take the form of either liquidation or exaction. Liquidation implies that the creditor seizes collateral from the debtor but does not necessarily involve explicit coercion. Exaction is extortion after threats of violence or other sanctions and is not limited to seizing assets but can also involve receiving services from the debtor (e.g. store or smuggle drugs). The most radical adversarial strategy is violent revenge. While this has immediate negative economic effects (credit is often not repaid), it secures the reputation of the creditor, which can be advantageous for future drug transactions (Caulkins, Reuter & Taylor, 2006; Brezina, 2000).

Illegal markets have been neglected in economic sociology (Beckert & Wehinger, 2013), and studying them within this framework discloses important insights into network ties, their content, and effect on economic outcomes (Uzzi, 1999; Carruthers, 2013; Granovetter, 1985). Our study further contributes to research on the importance of peace in drug markets (Jacques and Wright, 2008, 2011) and adds an emphasis on negotiated outcomes of drug debt to a literature largely focused on violent retaliation and loss (but see Desroches, 2005; Adler, 1993; Goldstein, 1985). We assume that drug market participants choose the form and amount of social control with the “perceived greatest overall utility for the controller” (Jacques and Wright 2011, p. 741). These decisions are made with only limited information in a context of complexity and uncertainty and so it is a “bounded rationality”. The aim is a satisfying outcome, and not necessarily an optimal one (Williamson, 1981; Cornish & Clarke, 2002; Jacobs & Wright, 2010; Wright & Decker, 1994).

Our primary empirical research question is a simple one: How was unpaid drug debts managed by creditors? We examine our theoretical model more in detail by asking: What were the conditions for accepting losses, refinancing, extortion, and revenge? In the analysis, we describe the
two modes of governance used by creditors and present the different outcomes of unpaid drug debt focusing on incidents of refinancing and extortion. We emphasize similarities to the legal economy and discuss how governance modes tie together characteristics of the reciprocation process with the final outcomes of inability to pay drug credit.

Method
The present study is based on interviews with 40 incarcerated male drug dealers in six prisons in southern, eastern and western Norway. All interviewees had years of experience with drug distribution, most on a mid-level (see Table 1). Since fronting was common, most had acted as both creditor and debtor at some point. Several quotes in the analysis reflect the workings of credit in illicit drug distribution in a general way, while other take the particular perspective of either creditors (most) or debtors (two quotes). These still reflect the fact that most had experience as both. For the sake of simplicity, we categorize sample members according to guidelines from the Norwegian Director General of Public Prosecution, which demarcate three levels of severity in the penal code (see Table 2). Cannabis and amphetamines were the two main drugs distributed, but most dealers sold several drugs. Most interviewees had long histories of drug abuse, particularly amphetamines or opiates, and were socially and economically marginalized (self-reference). Culturally, they identified with what can be described as street culture (Bourgois, 2003) or the “code of the street” (Anderson, 1999).

The study was part of a larger study that also included interviews with 28 female dealers (see author citation removed). Research participants were recruited in general meetings in prison arranged by us or by snowballing within the prison (interviewees suggested other interviewees). The inclusion criteria was experience with drug dealing or drug trafficking. Interviews lasted between 1.5-2.5
hours and were carried out by a team of four male researchers with previous experience in qualitative interviewing with hard-to-reach populations. We followed a general interview guide developed in advance, but interviewers were free to follow up themes that emerged in the course of interviews. Interviews focused on drug dealing in Norway and included extensive data on the use of credit and the reactions to unpaid debt. It is these parts of the interview that we focus on here. All the interviews were conducted in Norwegian, between 2010 and 2013, and the representative quotes were translated into English. All prices are in Norwegian kroner (NOK), but we have provided the equivalent in US dollar in parenthesis throughout.

The interviews were transcribed and coded using the qualitative data processing program Hyper Research. When the interviews were analyzed, several key themes were coded broadly. In this study, we focused on possible strategies when fronting drugs and the outcomes of unpaid debt. Both authors coded to secure inter-rater reliability. We identified two main modes of governance; (i) cooperative and (ii) adversarial, and four outcomes of unpaid debts; (i) loss, (ii) refinancing, (iii) extortion, and (iv) revenge. These categories emerged from the process of data collection and interpretation following standard research methodology for qualitative methods (see e.g. Brinkmann & Kvale, 2014). Still, qualitative interviews can only claim moderate representativeness, and our approach is an explorative one.

Statements about modes of governance and drug debt outcomes in this study can be post-hoc sense-making. This is a limitation of all interview data. It can further be argued that the imprisoned population represents a selective group of unsuccessful drug dealers or that they are restricted in their talk by the prison environment. This can increase a tendency to rationalise drug market strategies, for example accepting loss, to appear as successful drug dealers. We acknowledge these limitations but note that many individuals from these populations end up going to prison at some point in their career (Decker & Chapman, 2008). The limited research that compares active and imprisoned populations also shows remarkable consistency in how they talk about their crimes (Nee, 2003), which confirms our own experience from both active offender research and research on imprisoned offenders [author citations removed]. The themes we identify in this study are also found in active offender research (e.g. Jacques, 2010).

In the analysis, we compare findings to research on drug markets mainly done in a US-context. The overall similarities are striking, but the social context of the Scandinavian welfare state is different. Norway is not very violent, gun diffusion is low and the homicide rate is less than one per 100,000 population, which is among the lowest in European average and about a fifth of the
American level (UNODC, 2013). There are more ways out of the illicit drug economy and alternative means of income available, for example, welfare benefits. Norway does not have the concentrated disadvantage that characterizes Jacobs’ (2000) study where even small amounts of money constitute insurmountable losses to dealers that may react violently out of desperation. These aspects of the social environment probably make violent retaliation to drug debt less likely.

**Findings**

In what follows, we first describe how dealers explain the cooperative and adversarial governance modes. Next, we describe how they are used during the credit process and discuss their costs and benefits for the creditor. We distinguish between the different types of outcomes of unpaid debt that can be identified in data: Loss (accepting credit as lost), refinancing (recouping loss over time), extortion (speculating in drug debt) and revenge (retaliation, often violent). These are closely connected to the modes of governance. The negotiated outcomes—refinancing and extortion—were the most frequent and are emphasized in the analysis below.

**Cooperative and adversarial governance strategies**

Drug dealers used different strategies for managing credit and interpersonal relationships. The mode of governance affected both the eligibility decision, price, management of the reciprocation process, and decision on outcome from inability to repay. Cooperative and adversarial strategies had the same main aim, namely, making money, but they had a fundamentally different underlying rationale. A high-level cannabis dealer explained the difference:

> You can be fucking scary so people respect you, then they won’t do anything, but you can also be okay with people. That works the same way. You tie people to you in a way by being nice. I had a reputation for being too nice.

In a cooperative mode of governance, creditors embedded transactions in social relations and build interpersonal trust where debtors regarded them as friends or respected them as ‘honest’ businessmen (Decker & Chapman, 2008; Uzzi, 1997). In an adversarial mode of governance, creditors deterred stealing by increasing the costs of betrayal with threats of violent retaliation (Berg & Loeber, 2015; Caulkins, Reuter, & Taylor, 2005). Outside of illicit drug distribution there is similarly a variety of credit options available; from honest banks to loan sharks.
Both governance modes have advantages. A high-level amphetamine dealer argued that cooperative governance was more effective because trusted partners worked harder: “Right away when you give a person selling drugs a bit of trust, he works well, right. That’s the thing”. A mid-level amphetamine dealer described how he was more worried about losing his reputation than of being a victim of violence:

That’s only one part of it, right. Violence and threats are very rare, really, in the drug community. If you do things the right way, very rare. I have always been more worried about letting down people I have worked with than the violence. Losing face is a lot worse.

He was concerned with his reputation as a friend, not as a “generalized commodity” (Granovetter, 1985), but losing a reputation as trustworthy also had economic effects. A high-level amphetamine dealer stressed that a cooperative mode of governance was beneficial because “you should be generous to people so they can make money and come back”. Cooperative governance promotes iterative exchanges (Uzzi, 1997), but he still pointed out that “you should get your money”, indicating that cooperative governance did not require accepting losses.

While many drug dealers emphasized the rewards of cooperative governance, they also pointed out that adversarial approaches to credit had advantages. A high-level cannabis dealer stated that it made the creditor able to dictate conditions and prices:

*Interviewer: When you sell to others, can people front drugs from you or not?*

Dealer: Yeah, well, the advantage when they don’t have money themselves, it’s that they depend on me providing the goods. And then they won’t have any bargaining chips, right, so they have to be happy with what they get.

When debtors lacked funds and only had limited choice of suppliers their marginal position could be exploited by adversarial creditors that may charge a higher price (Carruthers & Ariovich, 2010; Stiglitz & Weiss, 1981). This provision of credit made a clear hierarchy between creditor and debtor.

The cooperative and adversarial modes of governance are profit-oriented, but the credit process takes place in a complex social context, where decisions are also affected by non-economic,
cultural, and social motives (Jacobs & Wright, 2010; Jacques & Allen, 2014; Bourgois, 2003). A mid-level amphetamine dealer said he would provide credit to a debtor who he did not expect would pay him back as a way to avoid “meeting him for six months, see his face and listen to his jib-jab”. He emphasized that it was “calculated”, not to earn money, but to increase the quality of his social life. He laughed when he stated that “the court is so multifaceted, and you keep some of them for the entertainment value and some for the economic value”.

Dealers were not necessarily devoted to one or the other mode of governance. Although many had a preferred way of conducting their business, most mixed cooperative and adversarial strategies, and modes of governance did not reflect clear-cut groups of dealers. Strategies also changed throughout the credit process (Taylor, 2012, 2007). When a debtor displayed morally hazardous behavior, proved to have bad intentions or lacked respect for the drug debt, the mode of governance could change from cooperative to adversarial.

**Accepting a loss**

The cooperative and adversarial modes of governance have both costs and advantages, and these are closely connected to the different outcomes of unpaid drug debt. One potential outcome when creditors were in a cooperative mode of governance was that creditors accepted that drugs were lost and that the credit would not be repaid. A mid-level cannabis dealer explained how debtors’ risk avoidance influenced the outcome:

> If you get caught, it usually gets erased. As long as you haven’t done anything to draw unnecessary attention your way, right. But if you did anything like very risky, right, if you go around town or drive around with two kilos of speed in the car, right. Just keeping it in the car because you are selling from the car, then you might get problems having it deleted.

Cautious behavior improved the chance of having the debt cancelled. If the default was not due to morally hazardous behavior and the debtor demonstrated loyalty by initiating contact, the creditor might accept the loss with no further consequences. It was usually a prerequisite that the debtor had been unlucky, and had otherwise acted responsibly, appropriately and loyally (Zaitch, 2002; Desroches, 2007; see also Jacobs & Wright, 2006, Jacobs, Topalli, & Wright, 2000).

The acceptance of loss was often connected to economic considerations of the importance of having a high turnover [author citation removed]. A mid-level amphetamine dealer
said, “I put in a loss. Many people I give loans to get one more chance, but I know deep inside that the money is lost, right”. Another mid-level amphetamine dealer said, “So you got to count in a loss ratio. You got to calculate that in. I’ve always decided to count that high because I don’t like walking around hitting people. It’s unnecessary.” According to many dealers, a proportion of their credits will wind up as a loss, and this was calculated into the risk premium of the credit price (Reuter, 1983; Reuter & Kleiman, 1986; see also Carruthers, 2013). In some cases, accepting a loss was presented as a shared responsibility between the creditor and debtor (Uzzi & Lancaster, 2003; Carruthers & Kim, 2010).

Some creditors described that they had to maintain a reputation as “nice” and non-violent. Lower-level distributors and potential debtors preferred to work with less volatile creditors to avoid victimization similar to how creditors evaluate debtors as potential partners (Desroches, 2005; Uzzi, 1999), and “ration” their credit accordingly (Stiglitz & Weiss, 1981). Many interviewees explained that they avoided outlaw motorcycle gangs and certain immigrant gangs because they were known to use excessive violence. Use of violent revenge could limit the pool of potential buyers and further increase search costs. Finding reliable transaction partners takes time, effort, and involves the risk of accidentally approaching law enforcers. In line with a cooperative mode of governance, accepting a loss could therefore be economically beneficial in the longer run. It increased turnover and secured a stable group of customers firmly embedded in social network ties.

Creditors sometimes had non-economic reasons for accepting losses. Some mentioned the nature of drug dealing. A mid-level cannabis dealer said that money earned here was different than money earned through legitimate occupation: “Drug money come fast and go fast, right. It’s not like tangible money. It’s an unreal world when it comes to handling money.” Lost money could be tolerated because they were “immoral”, easily recuperated in the lucrative drug distribution business and, therefore, not the same as “real” money (Hammersvik, 2014; see also Jacques & Wright, 2008; Zaitch, 2002). Sometimes, a loss was accepted if the debtor stopped using illegal drugs or withdrew from drug market activity entirely (Jacques, 2010). This reflected care and concern for the debtor. The condition was that if they reentered the business the debt became active again. These non-economic motives were still less prevalent than the principle of risk sharing and the importance of turnover and a stable pool of customers.
**Refinancing the credit—recouping loss over time**

More often than accepting the loss, creditors attempted to refinance the credit. The mode of governance in these outcomes was still typically cooperative, and creditor and debtor would negotiate to find a solution that was acceptable to both parties (Uzzi & Lancaster, 2003). This required “convergence” and that the creditor was prepared to grant an economic concession (Jacques & Wright, 2008; Uzzi, 1997). A high-level cannabis dealer explained that he would negotiate a refinancing if the debtor had not acted hazardously. He described his approach as follows:

> Yeah, but then it’s not like okay, just take that gun and rob a bank, right. There are like two ways of doing it. If it’s not their fault, then it’s like okay, then I’ll just charge five to ten kroner more on the hash and then work it out over a certain amount of time, and then we just delete the debt. Or you should just go to another city and earn it back over there. Or you’ll just pay back with money you’ve earned elsewhere over time.

Charging the debtors a little more for drugs in upcoming transactions, setting them up on a larger drug deal, or tolerating slower repayment were all common ways to refinance drug-related debts. The refinancing of debt involved creditors’ assessment of how much money could realistically be retrieved while maintaining cooperative interpersonal relations. The most common form of refinancing is restructuring the debt. Here debtors were provided with a new consignment of drugs that allowed them a chance to earn what they owed. A mid-level heroin dealer explained how debt was restructured if he failed to pay: “I would just get twice as much. And then try to make it up in a different way.” Providing a new credit to trusted debtors with a history of prior reciprocations was a common practice among the creditors in this study (see also Jacques & Wright, 2011; Nooteboom, 1996).

A mid-level amphetamine dealer emphasized how he monitored performance and intervened before debtors defaulted: “[When] they start side slipping, you have to give them more to keep them on going, to keep them running. To get it in.” A mid-level heroin dealer described the same process from the perspective of the debtor:

> Dealer: No, ‘cause the guy with the hash said it like: “ok, shit happens, but no more business before half the money is on the table”.
Interviewer: So you needed 30,000 kroner [~$ 5,000 ]?

Dealer: Yeah, and I guess they are so professional so they understood there was no point of pushing me for 30,000 kroner if I don’t have them. It depends on how sophisticated you are, right. Like this guy, it’s business. I have borrowed some money to start a business, then something happens and then the business goes wrong. If they then want to get me bankrupt, I just tell them I am not up for this anymore, and go to the police or something. No one will gain anything then. If I get beaten then I am out of the business. That’s not good either. They have heard I am doing whatever I can to get the money, but I need the opportunity. But they won’t take the chance to put more money in before they see half of the amount gone is there.

A cooperative mode of governance was assumed in his portrayal of the business. The deterrent was not violence, but rather the exclusion from the network and future business opportunities. The risk of snitching also meant that the creditor had an interest in refinancing and negotiation (Topalli, Wright, & Fornango, 2002). Investing in transactions partners (Granovetter, 1985; Uzzi, 1999) by restructuring their credit illustrate how creditors use cooperative governance to insulate their distribution from law enforcement (Decker & Chapman, 2008). Embedded transactions also facilitated iterative exchanges, trust building, and sharing information (Uzzi & Lancaster, 2013; Carruthers, 2013).

For debtors, it was important to respect the credit and initiate contact with the creditor if they had problems repaying debt. This improved the chances of having it refinanced and to avoid violent retaliation. A mid-level heroin dealer explained the importance of loyalty: “I give the message of how the situation is, what kind of plan I got to make up my debts. ‘Cause the more money you owe, the easier it is to refinance the debt.” He thought that such an open approach made it easier to have the deadline for repayment extended. A mid-level amphetamine dealer expressed similar sentiments:

I called the guy I owed money and just like: Hi, it’s me. We have to meet and talk without this stupid phone in between us. Yeah. We decided time and place and met, talked together: “Here I am. I screwed up. I don’t have drugs and I don’t have money. What should we do to make this for the best for both parts?” We came to an agreement and I paid down repayments.
The wording is that they reached an agreement. This was not a scorned creditor who makes demands, but a cooperative relationship where the actors reached convergence on outcome (Jacques & Wright, 2008). Here, the refinancing was done in the form of amortization, which refers to repayments with a more lenient time schedule. There were, nevertheless, limits to this cooperative practice. A mid-level cannabis dealer explained:

You can be out of money once, but you can’t be out of money every time. I am not talking about a lot of money either. Just a couple of kroner, of 300,000 [~$ 50,000], I can pay 270 one time, but you can’t come twice and say that something went wrong, I have fallen behind because of him or him, right. They don’t give a shit, it’s not like it’s their problem, or my problem, right. So it’s about paying at the right time.

He switched between talking about himself as a creditor and a debtor, indicating that this was a general sentiment in illegal drug distribution: Failure to repay a drug-related debt could be figured out, but it had to be the exception in a series of otherwise successful reciprocations (Jacques & Wright, 2011; Uzzi & Lancaster, 2003).

Refinancing was closely associated with a cooperative mode of governance but could also have a more adversarial dimension, for example, where debtors feel pressured into accepting a new credit or new conditions for repayment (Adler, 1993). Sometimes, the new credit involved larger amounts of drugs than expected, and this could have problematic consequences for debtors not used to dealing such quantities. The new credit could also be more expensive increasing the drug debt and potentially lead to morally hazardous business practices. Thus, while providing the debtor with more drugs, a new credit and a new time schedule typically were cooperative strategies. There was a blurry boundary to more adversarial governance, depending on the situation and conditions attached.

**Extortion—speculating in drug debt**

The next two outcomes of unpaid debt are both associated with an adversarial mode of governance. The basic premise of what we describe here as extortion is to substitute the money owed with collateral, for example, personal property, stolen merchandise, or services such as thefts, robberies or drug smuggling. Debtors fear retaliation, and extortion requires that the creditor have a reputation
for violence (Brezina, 2000; Reuter, 1983). As opposed to refinancing that is based on trust and convergence between participants, extortion is based on a hierarchical and coercive relationship. Extortion can be further distinguished by the level of coercion involved and how adversarial the creditor’s strategy is. Liquidation of personal property requires less coercion than exaction that may include performing very risky tasks. The delineations between the outcomes are not sharp and we mostly refer broadly to extortion to avoid mislabeling. There are examples in our data of outcomes that are not easily categorized along our four outcomes. Sometimes, debtors would be charged, escalating interest on their credit debt, and, as a mid-level heroin dealer stated, there was “no way around it”. This was similar to an adversarial version of amortization because of the coercion involved.

Drug dealers also explained that debt could be a way for creditors to pressure the debtor into liquidating assets that were not directly related to sale of drugs. A mid-level amphetamine dealer described how he considered the prospects for liquidation:

If you want to front drugs from me, who are you? Like, what do you got? If you got a wife and kids it’s not a problem. Then you don’t screw me over. Then I got you by the balls. If you got a job you at least got an income over 6 months, no matter what happens, even if you get sickness benefits, I take it, right. If you got a car, or a house it’s not a problem. But if you don’t have anything, then there’s a problem. (…) I can’t get you, ’cause there’s no value in you, but if you got some stuff, then I can take them. So, one who has a job and a wife and a house, I would easily give him a hecto. I hope he screws up, right, you get it? If he has a nice car I want. A nice motorcycle. Then it’s just to go get it, right.

This creditor speculated in getting a debtor with stakes in conformity (Toby, 1957) because they were more easily coerced into liquidating their assets. An even more coercive outcome of adversarial governance was to demand money from the debtor’s family. A mid-level cannabis dealer described it as “if they don’t find you they will get to someone else in your family, right. So you got to start thinking: fuck, is it worth risking other innocents in the family, right.”

Creditors often demanded immediate alternatives to defaulted debts. A low-level heroin dealer described a typical episode of exaction, where indebted persons “just like got a pistol
and a place they can rob”. Another common way of working off a debt was by trafficking drugs or smuggling contraband, as explained by a mid-level cannabis dealer:

A bad client is one fronting drugs and never paying, right. Then one gets into a situation where one has to do favors for others, right. It's a wide use of people owing money, they often got a trip to Denmark and had to smuggle goods across the border and stuff like that. And if one used it the right way, then one could also receive batches without doing much, using one owing you money instead.

Drug trafficking was typically forced upon the weakest actors in the drug economy and sometimes described as the “dirty work” that nobody wanted to do. Among those arrested for large-scale smuggling in Norway many were drug-dependent and marginalized drug mules, [author citation removed]. There is money to be made on debtors that are unable to repay their debts. Some creditors even speculated in debtors defaulting on repayment, as the services they were forced to do was more valuable than the original credit. A mid-level cannabis dealer explained that it helped to “make sure someone is in debt to you (…) you just feed them until they owe you enough to do you a favor”. In an adversarial mode of governance, creditors sometimes evaluated the debtor’s potential for committing criminal acts to pay back the debt. This is similar to the predatory lending that loan sharks historically engaged in (Carruther & Ariovich, 2010, p. 150-2).

The adversarial mode of governance relied on debtors obtaining and maintaining a reputation for violence (Brezina, 2000; Goldstein, 1985). A mid-level amphetamine dealer stated that he was “too nice” and that he had to “set some examples once in a while”. Another mid-level amphetamine dealer stated that this was especially important when dealing with large sums of money:

Yes, you got to shake up people … you got to knock around a couple so that the others will pay. Unfortunately, it’s like that no matter what business you are in. It’s better they owe you 100,000 [~$ 16,000] than 10,000, it’s a lot easier to get in. Run around getting thousand kroner from people. I couldn’t be bothered.

The cost of collecting a debt can exceed the expected benefits. In the formal economy debts are sold to collection agencies that attempt to collect. In hopeless instances creditors may grant debt relief.
Many adversarial-oriented creditors preferred to only instill fear and use coercion and implicit threats. Violent retaliation was considered unpleasant and used only reluctantly because it came with increased risk of imprisonment and getting enemies (Decker & Chapman, 2008). It was costly because it required time and effort that could otherwise be used for drug dealing. It also reduced the prospects of future drug dealing with the victimized party (Jacques & Wright, 2008). Using violence was generally not a good business model, as a mid-level cannabis dealer explained:

The leverage might be violence, but one would rather not do it, 'cause it’s not good business to beat people. It’s no business beating you to get your money, right. 'Cause a lot of people feel that if they get a beating they’ve made up. So then you rather write it off, but try to balance, it’s difficult, so what should you do? Should I like beat you up to get my money, or should I make you do something for me that I can earn some money on, right.

The interviewee clearly favored the latter option because extortion increased his profit. Violence could make the threats more realistic, but excessive violence scared off customers and prevented refinancing or extortion of the debt. Violence was considered counterproductive and costly by many drug dealers.

Extortion was a common outcome in cases of unpaid drug debt. It was popular among drug dealers because it meant that either they get their losses recovered quickly or the value of liquidated assets or services performed could be greater than the original credit. However, extortion was a precarious strategy that depended on occasional performances of violent retaliation, which is a costly and risky social control strategy. Extortion required that threats of violence were sometimes carried out; otherwise, coercion lost its effect to instill fear in debtors.

**Revenge**

Dealers will go to great lengths to avoid avenging lost drugs and unpaid debt with violence. To make coercion an effective strategy for creditors, they had to “set examples” and have a reputation for violence. A low-level cannabis dealer witnessed violence when taking part in debt collection:
Once I was joining someone who had a rumor for being sick in their heads. We were going to collect some money from a guy. They were fucking insane to him, cracking the fingers, cracking his ribs and cutting him with a knife.

Most interviewees noted that actual incidents of violence were few and far between (Zaitch 2002; Jacques & Wright, 2008). Despite the rare occurrences, they still talked a great deal about violence as an essential part of an adversarial governance strategy based on deterring opportunism (Caulkins, Reuter, & Taylor, 2006; Goldstein, 1985). It was not always clear that instrumental adversarial concerns were the real motivation for violence. In many of the episodes, violence was just as much expressive and communicative. A high-level cannabis dealer said, “When it starts being about kilos and hundreds of thousands and some millions, then you can’t just talk about letting it go, right. That’s just a matter of principle.” Even though the fact that it was a significant amount of money, the principle was the dealers’ main concern. He did not get the money back either way, but by using violence, he sent the signal that he did not accept being disrespected (Jacobs, 2000; Anderson, 1999; Topalli, Wright, & Fornango, 2002; Jacobs, Topalli, & Wright, 2000).

The degree of retaliation depends on the events leading up to the default (Taylor, 2007). Several drug dealers said that personal insults required revenge whereas monetary losses were more acceptable, under the right circumstances. A mid-level cannabis dealer concluded that

Sure. One can take in a bit extra when things start getting personal, right, cause then it tears on the ego and the pride and what this guy tries to do with your name. If he tries to make you look like a fool, right, then you should just get rid of him right away (…). Talking like this or that, acting fucking tough, then it gets personal, right. And then, of course, it’s personal enough that he fronts four kilos of hash and not pays back. But when he attacks you as a person and go challenge you and trick you at the same time, that’s not good.

Revenge was often motivated by disrespect and personal insults as much as economic concerns although these frequently went hand in hand. Violence was not only instrumental in its deterrent capacity, but also had a retributive aspect that was less economically rational (Jacques and Wright, 2011; Carruthers, 2013).
Revenge is the extreme end of the continuum of outcomes from inability to repay credit. Similar to accepting loss as a cost of doing business, revenge also prevented resource confiscation. Creditors tried to avoid it because they often did not get their money or drugs back, and it ruined future business enterprises. Dealers in our study explained how physical violence, and not only threats, was reserved to the occasional “example” in cases when unpaid drug debt was combined with personal insults and when large sums of money were involved.

Discussion

Credits in illicit drug markets are characterized by the same general problems as credit in the formal economy. The deferred repayment and information constraint cause uncertainty and make the creditor economically vulnerable (Uzzi, 1999; Stiglitz & Weiss, 1981). In the formal economy, these problems are ameliorated by credit rating agencies that collect and sell information on the debtor’s concurrent debts and payment history (Carruthers, 2013). Banks also use loan managers to gather private information (Uzzi & Lancaster, 2003), and intricate contracting and legal regulation assist creditors in retrieving their loss. In this study, we found that creditors in illicit drug distribution respond to defaults in ways that are comparable to the formal economy. Furthermore, we found that the creditor’s governance can be compared to the legal regimes that prioritize either debtor or creditors interests (Carruthers, 2005, 2011).

Nootenboom (1996) distinguishes between cooperative and adversarial modes of governance in the legal economy. These modes integrate resource exchange and social control aspects of credit processes and provide two distinct frameworks for deciding price and eligibility, assessing costs and benefits, managing the reciprocation process, and deterring opportunism. We argue that modes of governance are associated with four common outcomes of unpaid drug debt (Figure 1). These outcomes are points on a continuum between the extremes of loss and revenge, from most cooperative to most adversarial. Refinancing debt is the most common cooperative outcome, while extortion is the most common adversarial outcome. These negotiated outcomes were preferred over loss and revenge because they entailed recovery of resources. Each governance mode had distinct advantages, but they also required different forms of investments.

Economic sociology has emphasized the importance of embeddedness to credit provision in the formal economy (Uzzi and Lancaster, 2003; Uzzi, 1999; Carruthers & Kim, 2011). The cooperative mode of governance relies on embedded transactions that enable better information and informal monitoring of the reciprocation process. In this mode of governance, debtors are
chosen based on an assessment of intentions and abilities to repay instead of willingness to pay a high price. Embedded transactions generate loyal behavior from lower level distributors and protect creditors from law enforcement intervention (Benson & Decker, 2010, Decker & Chapman, 2008). Drug dealers in this study also noted that trusted partners worked harder and better. Embedded transactions allow creditors to monitor the process and support debtors with money and drugs before they default. The main benefit of cooperative governance is a long run of higher earnings from reduced costs (Jacques & Wright, 2008). Revenue can be shared between the creditor and debtor, further reinforcing the cooperative relationship.

Adversarial governance was more profitable in the shorter run because creditors fronted drugs at a higher price. There is no efficient price competition in illicit drug markets, and search costs are high (Beckert & Wehinger, 2013). Creditors can exploit this and demand usury prices from marginal borrowers. This is in line with transaction cost economic theory where frictions from deferred repayment are added to the credit price (Reuter, 1983). In the adversarial mode of governance, opportunism is expected (Reuter & Kleiman, 1986) and deterred by the visible hand of threats and violence (Caulkins, Reuter, & Taylor, 2006). There are many examples of creditors that predatorily fronted with the intention of confiscating assets or demand risky services from the debtor.

We have focused on the outcomes from non-repayment that involved interpersonal negotiation. For extortion, this negotiation was under coercion, but it was still an interdependent relationship because the debtor had information on the creditor that was valuable to law enforcers. Creditors had to invest in social network ties to prevent snitching. Forms of investment reflect governance strategies. Cooperative governance requires investing in future business with trusted partners (Granovetter, 1985; Uzzi, 1997), while adversarial governance requires a reputation for willingness to use violence (Berg and Loeber, 2015; Brezina, 2000). Viewing the outcome of lost drug debt as an investment in reputation and interpersonal ties underscores the importance of understanding credit as an interpersonal process that extends over a longer duration of time (Granovetter, 1985).

Investment in trusting interpersonal relations comes with lower profits in the short run, but a reputation for being cooperative is valuable. Well-functioning lower-level distributors will prefer to work with less volatile creditors to avoid victimization (Uzzi, 1997). Providing an economic concession is an investment in future transactions, low costs and increased value (Uzzi, 1999). Under illegality, this also saves the resources that would otherwise be required to uphold a
reputation for violence (Jacques & Wright, 2008). Embedded transactions do not foreordain debtor-friendly outcomes, but interpersonal ties provide a mechanism for transferring information and negotiating resolutions, and facilitate an outcome that is acceptable to both parties without resorting to retaliation.

The opposite holds for extortion where the creditor’s interests have priority. Extortion can focus on either short-term loss recovery or the result of an expected default. Extortion requires no economic concessions from the creditor but necessitates a reputation for willingness to use violence. Predatory lending is a form of extortion and can be understood as an illicit version of a “protected” credit (Carruthers, 2005). Protected credits are granted to more marginal borrowers on the premise that there are assets that can be liquidated in case of default. Since there are no rules that prioritize claims in illicit markets, creditors give their own claims priority and ignore the debtor’s legitimate expenses. Liquidation under illegality therefore constitutes a “rush to the assets” that legal regulation prevents in the formal economy. If debtors do not have material possessions to liquidate, they may be coerced into performing risky tasks or charged further interests on the debt without any negotiation.

Together, these findings demonstrate how offender decision-making in illicit drug distribution can be understood as a series of interpersonal negotiations that include an investment perspective. Concepts from economic sociology have provided a framework for these analyses that helps explain how the actors attempt to make their decisions more rational by acquiring information on transaction partners. Viewing transactions as embedded in interpersonal relations emphasizes that economic outcomes are affected by the social context that surround them (Uzzi, 1999; Carruthers, 2013; Granovetter, 1985). Economic sociology provides a comprehensive theoretical framework for perspectives where reciprocation is conceptualized as noncoercive (Jacques & Wright, 2008) and social control is important for retribution and deterrence (Jacques & Wright, 2011). Credit processes in illicit drug markets, however, also have predatory characteristics more in line with transaction cost economic theory (Reuter and Kleiman, 1986). Among cynical dealers, the adversarial mode of governance is sometimes present from start to finish, but more often, it appears along the way in response to reciprocation concerns or in decisions on how to sanction defaults. Shifts between cooperative and adversarial modes of governance highlight the negotiated and interdependent nature of the drug debt outcomes, as well as the importance of continuously negotiated network ties. This implies that law enforcement affects how inability to repay credit is managed. Firstly, more arrests mean more potential snitching and fear of police informants
infiltrating distribution networks. This pressures creditors away from social embeddedness, trusting relations and towards adversarial governance, disciplining and violent revenge. Secondly, increased enforcement pressures distributors to be more expedient. This reduces time to gather information, and therefore increases default rates. These mechanisms demonstrate that more intense legal pressure makes it difficult to maintain peace in drug distribution.

Our findings add empirical support to Jacques and Wright’s (2008) theory of the importance of peace in drug markets. Violent retaliations related to inability to repay debts are mostly reserved for actions that are perceived as personal disrespect (Anderson, 1999; Jacobs & Wright, 2006; Jacobs, Topalli, & Wright, 2000). While the reputational effects imply that this is not necessarily irrational or based on a non-economic motive, it is associated with high costs, both directly and indirectly. Dealers in this study, by and large, do not see violence as “cost efficient”. Cooperative governance and conflict management is less profitable in the shorter run but may be the more effective strategy in the longer run due to the benefits associated with lower costs and loyalty.

**Conclusion**

When drug creditors decide on an outcome from unpaid debt they do so in the context of a credit reciprocation process that has extended over time. This process is characterized by different modes of governance that affects the decisions on eligibility and price, managing reciprocation, and outcome. These governance modes substitute for the property rights that govern the legal regulation of credit defaults in the formal economy. This informal management of the interpersonal ties follows from the overall problems with price, cooperation, and competition that characterize illegal markets (Beckert & Wehinger, 2013). Interpersonal ties matter to the economic outcome, not only as quantifiable variables like how many ties, where and to whom but also as the content of the social ties. We found that creditors invest time, money and drugs in their ties in recognition of how important they are for insulating against law enforcement and for creating value. The implication is that law enforcement also affects peace and violence in drug markets by influencing the mechanisms associated with credit provision. Our findings add further specification to the connection between enforcement pressure and violence in drug markets.

There is little research on illegal markets in economic sociology (Beckert & Wehinger, 2013). Our approach combines insights from economic sociology and transaction cost economics
and integrates the social control and resource exchange aspects into an overall theoretical framework on the social embeddedness of the reciprocation processes. The approach may have potential beyond studies of illicit drug markets. The cooperative and adversarial strategies drug dealers displayed and their management of inability to repay credits may have parallels in other illegal markets. In principle, these strategies may extend to other co-offending situations that involve debts, monetary or otherwise. By examining this it will be possible to add to an emerging economic sociology of illegal markets, thereby, expanding theoretical frameworks within the field.

References


*Figure 1*: Modes of governance and outcome of unpaid drug debt
### Table 1: Sample characteristics

<table>
<thead>
<tr>
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<th>N = 40</th>
<th>Percentage</th>
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<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>20 years</td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>49 years</td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>36 years</td>
<td></td>
</tr>
<tr>
<td><strong>Main drug distributed</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cannabis</td>
<td>16</td>
<td>40%</td>
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<tr>
<td>Amphetamines</td>
<td>13</td>
<td>32.5%</td>
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<tr>
<td>Heroin</td>
<td>7</td>
<td>17.5%</td>
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<tr>
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<td>2.5%</td>
</tr>
<tr>
<td>Ecstasy</td>
<td>1</td>
<td>2.5%</td>
</tr>
<tr>
<td>Other</td>
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<td>5%</td>
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<tr>
<td><strong>Hierarchical classification</strong></td>
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<td></td>
</tr>
<tr>
<td>Low</td>
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<td>10%</td>
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</table>

## Cooperative vs. Adversarial

- **Loss:** 0
- **Refinancing:** 0
- **Extortion:** 0
- **Revenge:** 0
<table>
<thead>
<tr>
<th></th>
<th>Lower Level</th>
<th>Mid Level</th>
<th>High Level</th>
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<td>26</td>
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</tr>
<tr>
<td>Main drug used</td>
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<td>Cannabis</td>
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<tr>
<td>Opiate</td>
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</tr>
<tr>
<td>Cocaine</td>
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<td></td>
<td>5%</td>
</tr>
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</table>

Table 2. Hierarchical ordering of drug economy actors based on guidelines from the Norwegian Director General of Public Prosecution according to the triple-tier model in the Penal Code Section 162.