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Drug Dealing In Bucaramanga: Case Study In A Drug Producing Country

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Abstract:

We present a case study of the market of drug dealing in the context of a drug producing country. A main characteristic of a drug producing country is that illegal drugs are more accessible and have dramatically lower prices in the street market compared to countries that do not produce drugs. We locate our study to the city of Bucaramanga, Colombia; the country with the largest production of cocaine in the world. We make use of two sources of primary information (i) direct interviews to drug dealers, and (ii) media analysis of the local newspaper. Our main finding is that individual dealers exchange drugs, without any incentives to integrate and take control of the distribution in the city. That is, the low prices of drugs reduce profit and deter dealers to fight for monopoly, leading to a decentralized market of multiple uni-personal firms who use no violence.

Keywords: Crime, Law, Colombia, Violence, Market

1. Introduction

Drug dealing is a worldwide phenomenon that draws the attention of researchers from multiple disciplines. Theoretical and empirical studies on this illegal activity have been carried for the past decades and yet the problematic is still of critical relevance. Particularly, most of the research has focused on the way this phenomenon occurs in drug consuming countries. This has left aside the very main insights that can be obtained from countries that consume, but also produce illegal drugs. We consider it is essential that both sides of the spectrum are taken into account to gain a clear understanding of the incentives and the strategies used by the parts involved in the drug dealing business.

In that direction, the aim of this article is to study drug dealing from the perspective of a drug producing country. For this, we carried a case study in the city of Bucaramanga, Colombia. This country is the main producer of cocaine in the world. Our research is based on direct interviews to local drug dealers who offered information about the way this market operates. In addition, we developed a media analysis, for a period of ten years, of the local newspaper, which presents the arrests to drug dealers that took place on a daily basis. Through this, we provide a description of the different types of participants involved in the drug dealing market and the specific opportunity structures they face.

1.1 Framework and relation to the literature on drug dealing

The existing literature on drug dealing has mostly focused on countries that consume, but do not produce narcotics (i.e. The U.S. or western Europe), and those countries where narcotics are both consumed and produced have not been taken into account in the drug dealing level¹. In order to have a thorough discussion on the problematic of drug exchange, it is essential to integrate research in producing countries as well. We denote a drug producing country as one in which illegal drugs are produced with the aim of trafficking them outside of its national borders. We contribute to this research program by providing a

¹ The central approach to drug producing countries is the study of drug traffic and the war on drugs. See Garcés (2005) and Guáqueta (2005).

description of the way individuals organize and sell drugs in the city of Bucaramanga. This is one of the five biggest cities in Colombia; the main producer of cocaine in the world.

Drug dealing, as we consider it in this study, is the interaction between the supplier of illegal drugs, the dealer, and a buyer who acquires the product for personal use, the consumer. Exchanges occur in different forms and our study gives account of three general modalities of dealing: fixed, semi-fixed and mobile. Independently of the way dealer and consumers exchange, we frame our analysis within the theoretical considerations of rational choice. The economic approach to crime through the pioneering work by Becker (1968) sets the foundations to understand criminals as rational agents. A central premise of this analysis is that criminals have well defined interests that are described by an individual utility function, and their motivation is to maximize such utility. Individuals are assumed to participate in illegal activities because they find it optimal to break the law (Roemer 2001). Therefore, the decision of committing a crime depends on the expectations agents have about their utilities when exchanging drugs or employing their time and resources in a different activity. In summary, some people become criminals not because their basic motivation is different from that of other individuals, but because their benefits and costs are. The role of the State is then to deter agents from choosing crime, using the police force and the legal system to reduce their incentives. Garoupa (1997) and Polinsky and Shavell (2000) make a detailed revision of this framework's main contributions and theoretical discussions.

Prohibition makes drug dealing different from other economic activities because the role of the State is to deter agents from entering and participating in the market of illegal drugs. The transaction becomes costly, in part because of the surveillance and potential arrests from the police, and also because of the punishments the legal system imposes upon arrested criminals. The negotiation, needs to be carried outside of the legal boundaries, and as a consequence, the dealer and the consumer develop their own system of rules; an extralegal normative to bring the agreements into completion. The description and understanding of this extralegal organization is what motivates our research.

Following the works by Coase (1960), Milgrom and Roberts (1988) and Williamson (1973, 1983, 1991) our research describes the different types of dealing as efficient organizational

responses to the interaction between prohibition and the demand for illegal drugs. In brief, we assume economic agents as fundamentally amoral. They ignore the rules in order to promote their interests and acquire personal advantages. In this perspective, individuals develop the organizations, practices and informal rules in the drug dealing market motivated by selfish considerations. Although the assumptions can be widely criticized, this approach allows us to acknowledge crime by its strategic logic, more than by its ethic and moral considerations. Thus, we do not attempt to make a contribution to the design or evaluation of the institutional framing, but to enrich the information, knowledge and understanding of a social problem: drug dealing.

Drug dealing, or the distribution of drugs for consumption inside a country, has been studied in multiple scenarios. In terms of the exchange of illegal drugs, Reuter, MacCoun and Murphy (1990), Levitt and Venkatesh (2000), and Skott and Jepsen (2002) have shown cases where this criminal activity is sustained by high expected-benefits. This, as a result, leads to the use of violence in order to maintain control over the market and the territory. Levitt and Venkatesh (2000) consider how organized gangs behave and deal with illegal drugs in the city of Chicago. Reuter, MacCoun and Murphy (1990), have studied the case of individual dealers instead of organized collective actions. Other interesting case is that considered in Frey (1997) where the local government in Switzerland takes control of the distribution of illegal drugs, in this case heroin, in order to regulate the market and the negative externalities it brings along. Independently of the parts involved, it is fundamental to distinguish that the exchange is separated from what is known as drug trafficking, where the buyer of the drug has the objective of reselling the narcotics to obtain monetary benefits out of it.

Our work contributes to this literature, but particularly differs from the existing works by considering a case of drug dealing whose object of study is the market inside a drug producing country instead of a drug consuming one. The main characteristics of drug producing countries according to the United Nations World Drug Report (UNODC 2010), in particular countries in Latin America such as Colombia, is that the availability of drugs is greater. That is, drugs are easier to find than in non-producing countries, even drugs that are only produced for domestic consumption (i.e. Colombia is the largest producer of

cocaine in the world, and the objective is to sell this drug outside the country. Yet, marijuana is produced for domestic consumption). Linked to the above-mentioned is the fact that domestic prices of illegal drugs are dramatically lower than in countries where drugs are only consumed. These factors alone pose already a critical differentiation, given that it has been well studied that the incentives and motivation of the market of illegal drugs is that of the high revenues it involves.

One can ask then, how does a market is organized when drugs are still illegal, but their availability is such that the price of the drugs and the profits associated to dealing are very low. Thus, the main question in our study is to understand *how is the market of drug dealing organized for the case of the city of Bucaramanga, Colombia*. As a consequence of our main objective, we also ask, *what is the structure of incentives for the drug dealers in such a market?* For this, we carried a set of interviews to local drug dealers in Bucaramanga. The main contribution of this work observes how drug dealing functions in a context where prices are low. The relevance of our work in the study of illegal drugs directly relates to the theoretical predictions that low prices result in lower levels of violence and criminal organization.

1.2 Description of our approach and main results

The first differentiation between drug trafficking and drug dealing is that the former takes place to supply the external demand, purchasers outside Colombia, while the latter supplies locals. The second difference is that in drug trafficking an intermediary sells narcotics to another intermediary in the supply chain. Therefore, the purchaser acquires illegal drugs to sell them again. Drug dealing, however, takes place when the intermediary in the supply chain is the final link and the purchaser uses the narcotics for personal consumption. Whereas traffickers exchange kilograms of drugs, dealers exchange grams. This provides two main considerations for our study. First, a dealer is an individual with control over a small portion of the drug dealing market, and no control of the drug trafficking market. Second, because the prices of illegal drugs outside Colombia are greater than

inside the country, the levels of income between the dealer and the trafficker are notably different (UNODC 2010).

To understand the specificities of drug dealing, we use two sources of primary information to sustain our research and study the behavior of the agents involved in the market. The fundamental source used to develop this article is a set of semi-structured interviews we carried out with drug dealers in the city of Bucaramanga. We interviewed dealers during a period of one year, meeting between one and two times with each dealer using a snowball sampling technique. A more detailed description is presented in the next section. These interviews give account of the perception dealers have about their job². In order to complement the interviews, we used the information published in the only daily newspaper in Bucaramanga: *Vanguardia Liberal*. The journal publishes a daily criminal section. If a drug dealer has been captured by the police, this section of the newspaper presents data about the arrests of drug dealers, specifying the class of exchange they were involved in, and the drugs and weapons they had at the moment of the arrest. We examined this journal during the period between January 1994 and December 2004.

As a result, we observe that the market of illegal drugs in the city of Bucaramanga is characterized by individual suppliers with no incentives to create more complex organizational structures, for this increases the probability of detection by the police while their profits do not increase as much, given the low prices of illegal drugs in a producing country compared to consuming countries. The difference in relative income between dealers and traffickers, also known as *drug lords*, has brought high levels of violence to the latter given the potential benefits it offers. In drug dealing, on the other hand, the supply side is composed by *small-time* dealers who exclude from their interaction any use of force or imposition. In relation to other dealers violence is excluded, at least in the city of Bucaramanga, due to the fact that potential losses of a violent encounter to defend a territory are greater than the potential benefits they can earn by dealing. In relation to the consumer, there is no violence because agreements are voluntary. Therefore, apart from

² There are no recordings or transcriptions of the interviews. The dealers who agreed to participate in them, felt their safety could be exposed, and did not allow us to register the conversations.

the categorization of illegal, both the consumer and the dealer have incentives to participate in the exchange, making the interaction a victimless crime³.

Nonetheless, a victimless crime that excludes violence is still a crime, and the parts involved face a potential cost by the punishments the State imposes to them. The State needs a formal institutional framing to deter the exchange since obedience to the law cannot be presupposed. In this context, the dealer and the consumer represent the side of illegality, and the police force is the representation of the law. Consequently, the police are defined as a strategic economic agent, whose choice plays a direct effect upon the payoffs of the other agents: dealers and consumers⁴. We describe the role of the police in the drug dealing exchange from the information provided by the dealers in the interviews. That is, our description of the legal side of the exchange is deliberately biased to the point of view of one agent, the dealer, who represents the main interest in our study.

The case study can be characterized in three aspects: (i) we describe the system of incentives and the set of strategies for the dealer, the consumer and the police; (ii) we characterize the emerging structures of drug exchange as a set of transactions that can take place in either of three categories. The purely fixed exchange, where the client goes to the selling point to buy drugs. The semi-fixed, where both dealer and consumer are located in flexible meeting points and both attempt to coordinate to meet. Finally, the completely mobile, in which the dealer delivers the drugs at a meeting point set by the client; and (iii) we group the three classes of drugs available: marijuana, cocaine and crack, as different segments of the same market. For the case of the consumer, the three drugs are goods that respond to similar needs. For the dealer, they are a possibility to increase her income by winning economies of scope, if exchanging various classes of drugs simultaneously.

The article is structured in five sections including this introduction. In section 2 we describe the methodology of our study. Sections 3, 4 and 5 present the way in which consumers, dealers and the police are organized, respectively. Each of these sections also includes a detailed description of their incentives and opportunity costs as informed by the dealers who participated in the interviews we carried out. Section 6 concludes.

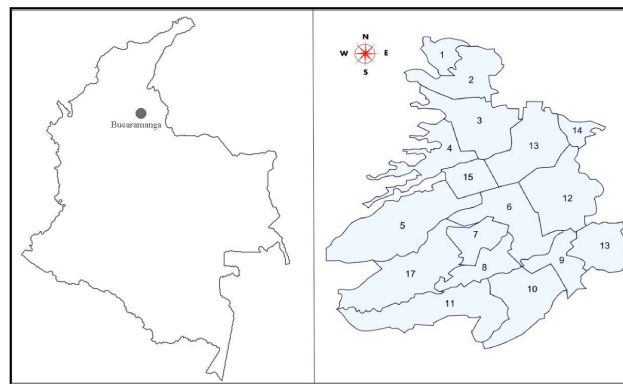
³ Crimes without victims do not generate a direct damage to the parts involved in them, as opposed to crimes against people (rape or murder) or crimes against property (theft or vandalism).

⁴ We refer to "the police" as individuals, and not to the National Police of Colombia, as an institution.

2. Case of study and methodology

Bucaramanga is the capital of the department of Santander, located on the northeast side of Colombia (see Figure 1). The population of the city of Bucaramanga is 516,512 inhabitants, according to the census of 2005 (DANE, 2005). It is the fifth largest city in Colombia. Its territorial dimension covers 165km², which is subdivided into 17 *comunas*, or subareas.

Figure 1: The city of Bucaramanga



In the map of Colombia (left) Bucaramanga is located on the North-East. The political map of the city (right) divides Bucaramanga in 17 areas, each categorized by a specific indicator of socioeconomic stratification.

To obtain information about the market of illegal drugs in Bucaramanga, we performed semi-structured interviews with 35 drug dealers. These interviews took place between the years 2005 and 2006⁵. Dealers were recruited for the interviews using the snowball sampling techniques. Therefore, each dealer, once interviewed, was asked to suggest at least one other dealer to participate in the study. Although not every referenced dealer was willing to participate, this sampling technique allowed us to gain access to a population, which is normally hesitant to collaborate in studies such as ours (Eisenhardt 1989). In fact,

⁵ Participants were interviewed in a location of their choice. Most of them chose public places as cafeterias, cafes, and the campuses of the universities in the city. They all reported to work in the city of Bucaramanga. According to their answers, 9 were classified as dealers in the completely fixed type of exchange, 6 in the semi-fixed types and, the remaining 20 in the mobile type of exchanges.

most participants expressed that if another dealer had not introduced us they would have not trusted to be part of our investigation.

Interviews provide excellent access to the very particular characteristics of our sample, and explore their perceptions, behavior and individual incentives. They also supply higher levels of detail than surveys which contain concrete questions and pre-established answers. Each dealer was interviewed separately. The length of time and the face-to-face interaction of the interviews provided a more natural setting for the respondents⁶. In addition, we started every encounter by explaining the purpose of our study in order to generate an environment of trust and clarity. In our questions, we did not impose arbitrary categories of analysis, for this would have limited their answers (Fontana and Frey 1994). Each participant answered the same set of open questions; however, we allowed the interviewer to insist on some points when necessary, in order to suggest clarifications or to reveal unforeseen aspects. Our attempt was to unveil the structure and characteristics of the drug dealing interaction. For example, dealers were asked about the classes of drugs they exchanged, the way they entered into the business, whether they were independent dealers or part of any organization, and how did they perceive risk in their job given the work of the police.

Our second source of information is the *Vanguardia Liberal* newspaper. This journal keeps a daily log of the drug dealers arrests in the city of Bucaramanga, the type of exchange they were part of, the classes and amounts of drugs found, and the weapons in their possession. We collected the data for the period between January 1994 and December 2004⁷.

The information obtained both from the interviews and the journal shows that dealers in Bucaramanga exchange mainly three classes of drugs: crack, marijuana and cocaine. In terms of the narcotics found under possession of the dealers arrested, marijuana represents the highest among the total, 51%, followed by cocaine, 25%, and crack, 24%.

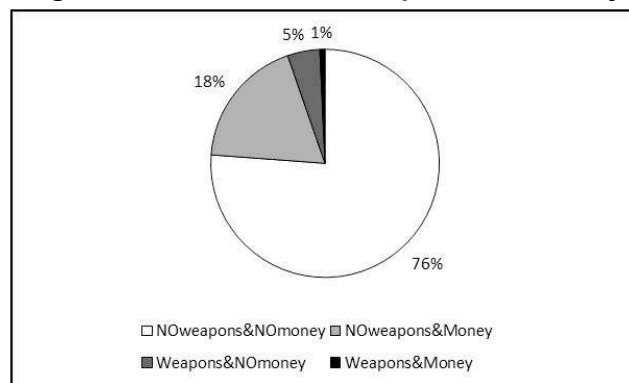
⁶ On average the interviews lasted around one hour, and in some cases it was possible to contact one same person for two or three meetings.

⁷ See the Annex for a detailed description of the available information.

We exclude from our study other substances that are not representative to the exchange in the city, either because they are legal or not commercial⁸.

In terms of weapons, the interviewed dealers reported that their revenues are not high enough to motivate the involvement of violence. Moreover, they stated that the price of a gun is much higher than what a dealer could earn over many weeks. This report is supported by the data on the arrested dealers. Only 12 people from the entire sample of arrested dealers had knives, and 17 had a fire gun with them. As it can be observed in Figure 2, a total 76% of the captured dealers did not have any sort of weapon nor money with them. In spite of the fact that some dealers had weapons under their possession at the moment of the arrest, we consider the data as an indicator of the low-level of conflict and violence in the drug dealing market. Furthermore, some of the respondents mentioned that they did not only work as dealers. This means that the possession of a gun could be due to the fact that they either were also delinquents or had legal permits to carry a gun.

Figure 2: Possession of weapons and money

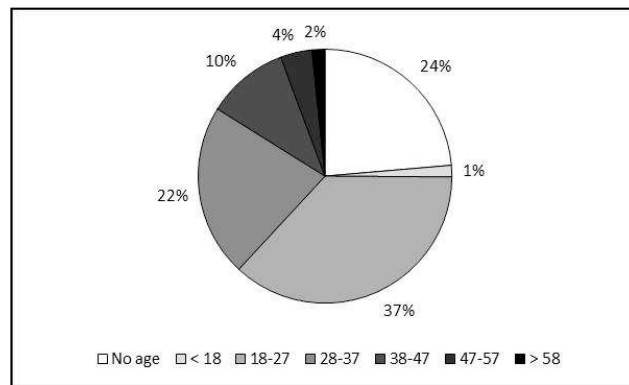


The use of weapons such as knives or fire guns is not common between drug dealers. 76% of the arrested dealers had no weapons with them.

⁸ The usage of synthetic drugs such as acids or amphetamines has not been generalized in the city. Other common drugs consumed, but with no commercial relevance, are magic mushrooms, the leafs, stems, flowers or seeds of the borrachero tree, where the scopolamine is obtained from, or beverages such as yagé. These less commercial drugs are generally consumed in groups on the country areas outside the city, and most of the times consumption takes place during a sort of spiritual ritual. Finally, there is glue, a legal substance socially perceived as the drug of the homeless.

It is also interesting to highlight that the arrested dealers are predominantly young, 60% are under 37 years old. In Figure 3, it can be observed that 1% of the arrested dealers are under 18, 37% range between 18 and 27 years old, and 22% are between 28 and 37. The interviews confirmed this fact, explaining that in general, individuals enter into the drug dealing business at an early stage of their lives, when they have few possibilities for better work or study opportunities. According to the interviews, although some dealers enter young, in most cases drug dealing is still the best option for many of them along the years. This can be supported by the fact that many (40%) are dealers above 37 years old, which do not categorize them as you, anymore, by crime standards.

Figure 3: Age



60% of the arrested dealers are under 37 years old.

Up to this point, we have presented the general framework of our case of study and the theoretical and methodological approaches followed. In the next sections, we systematize the information through the categories of analysis common to economic theory: supply and demand. In other words, we define the market, its different segments, and the individual incentives that consumers, dealers and the police face. Aiming to understand, in detail, the cost-benefit relation that determines the characteristics of the interaction between a consumer and a dealer of illegal drugs in the city of Bucaramanga.

3. The demand

In this section we introduce the individuals that demand illegal drugs and the attributes they consider valuable in the transaction. Moreover, from the narcotics individuals consume, we

can define different segments of the drug dealing market in the city of Bucaramanga. We carry out our analysis based upon the definitions of transaction costs in Coase (1960), which states that a dealer must find potential buyers and inform them about the intentions of exchanging, including the terms of the negotiation. Then, the exchange takes place and, in some cases, a retribution could be asked when the terms of the agreements are not observed.

3.1 Consumers: Segments of the market

We characterize the demand of illegal drugs based on the descriptions and considerations widely shared by drug dealers in Bucaramanga. We use this information to separate the market in three segments: consumers of crack, marijuana and cocaine. The categorization is made in terms of the economic wealth of the consumers, as perceived by the dealers. In other words, consumers are described in a range, locating crack users in the less wealthy extreme and cocaine users in the wealthier one, while the consumers of marijuana are present in every spectrum. These segments are not exclusive; the user of one class of drug may also use any of the other two.

Crack, a derivative of cocaine, is a stimulant that boosts alertness and increases the activity of the central nervous system. Consumers of crack are individuals of scarce economic resources, principally beggars and homeless people. They are known as *chirretes*; a derogatory term derived from the street name of the drug: *chirri*. This drug is a powder and its effect is obtained by smoking it. In order to do so, *chirretes* mix crack with ashes since it is not flammable by itself. Given the strong toxic composition of the drug, *chirretes* exhibit deteriorated physical characteristics. They appear very thin and their facial outline is accentuated. The drug is mostly consumed on the streets, where the users spend their time, and its use is individual, so every consumer purchases her own.

Marijuana, technically known as cannabis, is a depressant that causes a feeling of relaxation and happiness. Consumers of marijuana belong to all ranges of socio-economic stratification, given its affordable price and accessibility. The street name used to denote its consumers is *Marijuaneros*. The effect of the drug on the physical appearance of its users

is much less dramatic than that of crack, although high levels of consumption might lead to weight and short memory loss. Marijuana is perceived as a recreational drug. Marijuaneros most commonly obtain the effect of this weed by smoking it. The drug is generally consumed in a variety of private places, such as houses or apartments, since its characteristic smell when burnt can draw the attention of the police. In contrast to crack, marijuana is generally used in groups; more than one person shares one cigarette of marijuana.

The third segment refers to cocaine users. Cocaine is a nervous system stimulant, derived as an alkaloid from the coca leaf. The consumers of cocaine tend to have higher incomes than those who consume only marijuana or crack. In terms of prices, one gram of cocaine costs five to seven times more than one gram of crack, in Bucaramanga. Cocaine dealers proudly informed that within their clients were medical doctors, businessmen, and lawyers, among others. Even though it is not possible to state that all the consumers of cocaine follow these characteristics, its high price tends to exclude frequent consumption by individuals with low income. The street name for cocaine is *perico* and its consumers are denoted as *periqueros*. Dissimilar to the names *chirrete* or *marijuanero*, *periquero* is not derogatory, given that cocaine is a status symbol among consumers. Cocaine is a white powder, and its effect is commonly obtained by inhaling it. Its frequent use has similar physical consequences of crack. Given that it is inhaled instead of smoked, the consumption of cocaine can be done almost anywhere in a discrete manner. Dealers consider cocaine a drug used both individually and in shared groups.

3.2 How to get the drugs?

The main characteristic that differentiates drug dealing from other types of drug exchange is manifested on the side of the demand. The buyer purchases the drug for personal consumption and not because she is interested in selling the substance to make money. Therefore, the choice of the client is between consuming drugs and not doing so. If consumption is preferred, she must look for a dealer and negotiate the terms of the transaction, as shown by Coase (1960). Although the levels of consumption are different

between drug users, there are two characteristics that relate to any consumer in the drug dealing interaction. First, the demand of drugs is inelastic as a result of the addiction it generates on drug users (see Becker and Murphy, 1988). Second, independent of the class of drugs consumed and the income of the consumer, the motivation is to obtain drugs of higher quality for a lower price.

Quality, as the key referent of the transaction for the consumer, involves more than the mere pureness of the drugs purchased. It is clear that the client prefers to buy from a dealer who offers higher levels of pureness. Nevertheless, quality includes the process of search and negotiation, as well as the effect that the drug produces when consumed. In other words, the evaluation that the consumer makes on the product depends on the treatment she receives, the safety of the transaction, the reputation of the dealer, and certainly, the amount, pureness and price of the drugs.

Consider the search process. A common and effective solution to aid the search process in most economic activities is advertisement. Suppliers use media as a tool to facilitate the investigation consumers undergo to find their products. However, when the economic activity is illegal, this possibility is no longer available. Suppliers, then, cannot go beyond the word-of-mouth publicity to announce and promote their products.

Some dealers station themselves in areas of low socio-economic stratification or in the center of the city. These neighborhoods are generally areas of criminal focalization, where poverty is mixed with delinquency and prostitution, among others. Such locations are known to be focal points to encounter drug dealers, thus simplifying the search. Following the same conventions of drug consumption are streets where the night-life takes place. Bars, pubs, discotheques, are grouped in specific areas of the city, which are identifiable to a consumer as potential dealing points. For drug dealers, the streets where the bars are located represent places where finding consumers is evident without using any explicit or previous communication between them.

The choices of location, which depend on a specific physical place, are denoted in our study as fixed. The opposite extreme of fixed locations in either criminal or party areas is that of complete mobile dealing. Some other dealers separate themselves from a fixed

location and are contacted by their clients through mobile communication. In such cases, the search process for a consumer is reduced to a phone call. Clients and dealers specify through a phone call the meeting place and time, the classes of drugs desired, as well as the quantity and price. Thus, not only the search, but also the negotiation occurs prior to the encounter.

Apart from searching and purchasing the drugs, the client risks being punished while the illegal drugs are under her possession. In these terms, it is clear that quality goes beyond the pureness of the drugs purchased. It becomes necessary for the consumer to assess the safety of the transaction in terms of evading the police activity. There are also risks related to the other crimes that surround the areas of exchange; which are criminal areas. The client endangers herself of being robbed or attacked by other delinquents present in the neighborhood. Therefore, when a client finds a dealer and does not feel threatened of being captured nor hurt by external factors, the transaction takes place.

The negotiation is simple, whether it transpires face-to-face or through a telephone call. In most cases, it does not involve any type of bargaining because both parts attempt to finish quickly in order to avoid drawing any attention to the exchange. Additionally, clients do not have a way to test the quality of the drugs purchased prior to actual consumption⁹. In case the consumer is cheated and the drugs are of lower quality than expected, her optimal response is to look for a new dealer. There are no mechanisms or legal support to make the previous dealer fulfill the agreements, and the exchange is worth such small monetary value that usually violence is not an option. In this sense, the result and control of the transaction is limited and commonly reduced in case of the consumer to staying alert of not being cheated by the supplier and, for either of them, to getting involved in a police operation and as a consequence arrested.

As proposed, we can model the demand of illegal drugs in three categories: fixed, semi-fixed and mobile exchange. In the first extreme, the client must go to a selling point chosen by the dealer in order to exchange. On the other extreme, it is the dealer who goes to a

⁹ The interviewed dealers informed that in order to measure the quality of cocaine, it is necessary to use at least a gram of the powder, mixed with other chemical solutions. Crack is a residual component of cocaine, and thus it is by default a non pure drug, and marijuana could be mixed with other types of weed that make it difficult to assess its effect unless it is consumed.

meeting place chosen by the client. It is possible to discuss product differentiation since dealers do not sell standardized products to homogeneous consumers. In this order of ideas, the choice of a dealer is based on the population with whom she wants to do business.

4. The supply

Drug dealers play the role of intermediaries along the chain of production and distribution of illegal drugs: buying and transforming the substances in order to sell them again. Although the dealers' motivation to partake in this criminal activity might vary from person to person, in general, we can state that they commit this illegal action in order to maximize their income (Becker, 1968). In order to do this, dealers choose which segment of the market they wish to serve, locate their business in it, and provide drugs to consumers. Based on the responses given by the dealers interviewed in our study, we observed that the different types of exchange are strategically paired in the sense that they need each other.

As opposed to studies of drug dealing in cities of non-producing countries (Reuter, MacCoun and Murphy, 1990, Levitt, and Venkatesh, 2000, Skott and Jepsen, 2002, Venkatesh, 2006) dealers in the city of Bucaramanga do not attempt to run over their competitors and turn their business into a monopoly. This is not because illegal drugs have particularly different characteristics compared to a standard consumption good. As this section proposes, the reason for strategic complementarities is related to the fact that horizontal integration would imply becoming visible to the authorities, who seek to capture and punish the offenders. Visibility increases the probability of arrest and punishment for both the dealer and the consumer. Therefore, the trade off between the increased risk and income when controlling more segments of the market does not compensate the suppliers, mainly due to the low prices of drugs inside Colombia¹⁰. We say then that the market emerges as a configuration of multiple, non-focalized dealers who distribute the demand along different locations in the city and, as a consequence, reduce visibility.

¹⁰ In Colombia, for decades, there has been a war between the different drug cartels and drug lords. Their aim is to control the market that supplies drugs to consuming countries, mainly the US and Western Europe. The war is motivated and supported by the great monetary benefits of drug traffic. This is not the case of drug dealing.

4.1 The productive process

Dealers also undergo a process of search, negotiation, exchange and follow-up in the productive process. We start by describing the acquisition of the drugs in order to sell them, the necessary agreements to access a segment of the market, the transformation process of the drugs, and the distribution to the final consumer.

The production process of illegal drugs like crack, marijuana and cocaine is mainly agricultural. Specific plants¹¹ are grown and used as input for the elaboration of the final product. Other organizations, commonly farmers and guerrilla or paramilitaries groups carry out the production of drugs in Colombia. Given the object of study in this article is drug dealing, we will not describe in detail the first stage of the process.

The participation of the drug dealer in the production and distribution chain is limited to the purchase of the drugs from a higher intermediary when the substances are already set for consumption. Once acquired, dealers transform the purchased substances. This is commonly known as *cutting* the drug, and consists of increasing the amount of narcotics by reducing its pureness through the addition of other components. After the drugs have been cut, dealers pack them in small units for individual consumption, which facilitates storage and distribution.

Like most other economic activities, the seller needs to find providers to access the products that they want to offer. In the case of illegal drugs, dealers purchase drugs from a higher intermediary in the supply chain. In Bucaramanga, a few providers control the entire distribution of drugs, which is normally the case in a city. To gain access to the supply, dealers must reach informal agreements with the higher intermediary. In most cases these transactions show two features. First, dealers purchase low quantities. Some of the interviews reported that at most one dealer purchases one kilogram of cocaine¹². Second, payments are made immediately and in cash. These two features simplify the negotiations. Therefore, the only requirement to gain access to the transaction is that the dealer knows a

¹¹ Canabiss for marijuana and coca plant for cocaine and crack.

¹² This makes a clear difference with drug traffic, in which intermediaries exchange tens, hundreds and even thousands of kilograms.

higher intermediary in advance. In terms of trust, she must not generate any suspicion of being an undercover police agent. If these simple requirements are met, the higher intermediary provides the dealer with illegal drugs.

Dealers must make agreements not only to gain access to the supply, but also to determine a selling point. For the case of Bucaramanga (and many cities in Colombia), the multiple armed conflicts in rural and urban areas have led different non-official armed groups to take control and regulate areas in the cities. Agreements to sell drugs are, therefore, made by the dealers with the armed groups controlling the area of potential distribution. Such groups can be urban cells of guerrilla or paramilitaries, common delinquency, or the police. According to the interviews, agreements are neither elaborate nor limiting. They only take place on few occasions and depend more on the control that other illegal organizations¹³ have over the territory than on the effects of drug usage on the final consumer. This is due to the fact that local dealers, police agents, and leaders of organized crime, are constantly changing. Therefore it is impossible to make long-term arrangements.

The second step of the process is the transformation of the drugs. Independent of the amount purchased, dealers cut the drugs. They decrease pureness through the addition of cheaper components reducing the average costs of production. The process of transformation starts from the initial links of the supply chain all the way to the final dealer. Something worth highlighting is that the components used to cut the drugs decrease in quality as it moves down the chain. For example, the higher intermediaries cut cocaine with components obtained out of the actual production process of cocaine. This causes an effect similar to a product of a higher level of pureness and will not significantly increase the damage to the users' health. As the pyramid goes wider from the top to the final distributor, the components used to cut the drugs are of any material as long as they are similar to the texture, shape and color of the drugs. In the case of cocaine and crack, dealers in the last link of the supply chain reported the use of chalk, flour, oatmeal, aspirins, bricks, dust, and amphetamines to cut the drugs. In the same way, some dealers mix marijuana with other weeds similar in appearance, to increase its volume and weight.

¹³ Dealers reported that these organizations do not deal drugs inside the city. They are involved in *bigger* crimes as kidnapping or murder.

Most consumers are aware of the quality reduction that drugs go through along the supply chain. Yet they do not have ways to measure the drugs prior to consumption. Thus, consumers rely on the reputation of the dealer as a sign of quality; the best option in this illegal context. However, such informal mechanisms are limited, given that both consumers and dealers constantly change. Dealers did not report the usage of any commercial trademark to label their products as a means of differentiation, even though this mechanism might serve as a signal of quality.

The packing of the drugs is the last step in the process prior to distribution. Similar to all previous steps, packing is simple and does not require high investments. The type of packing depends on the physical characteristics of the drugs. Crack is sold in small plastic bags or wrapped in sheets of paper. Each unit weights one gram. Marijuana is a more complex substance to store since its volume is greater than crack. Dealers use compression devices that press the weed into rectangular blocks of approximately one kilogram. These blocks are then divided in smaller packs and wrapped with newspaper or notebook sheets. Dealers sell packs of approximately ten grams, and sometimes offer pre-rolled cigarettes with marijuana inside: joints. One gram of cocaine is packed into short plastic straws, sealed on both ends. Cocaine can also be sold in small plastic bags. These ways of division and packing facilitate the storage and transportation of the drugs.

4.2 The dealers: A house, the streets and the domiciliary

Dealers specialize in specific segments of the market and offer different services to each. Each segment belongs to a point along an interval that goes from purely fixed exchanges to completely mobile. Even though the categorizations made are not explicit concepts expressed by the interviewed dealers, we build on them to facilitate the analysis. We categorize drug dealing in three different types: a *house*, the *street*, and the *domiciliary*. For each type, we describe the classes of drugs offered, the relation of storage and distribution, and how the exchanges take place. In addition, we argue that dealers have no incentives to integrate, neither vertically nor horizontally since a variety of independent dealers is better for the market than one immense criminal organization.

The first category is the *house* dealer. In this type of exchange, individuals use houses for the storage and distribution of illegal drugs. For our study, house dealers belong to a completely fixed type of exchange. Most likely, the place used as distribution point is the dealer's personal residence, which is commonly located in areas of centralized crime. House dealers offer crack, marijuana and cocaine. By supplying the three classes of drugs, they reduce average costs. In terms of production, the house should not be accounted as a direct cost. In most cases, the dealer is the head of the family living in the house. Other family members may be involved in any of the productive steps of the exchange, from weighing and packing to selling. The interviewed dealers reported that the younger children are located on the corners of the streets near the house, awaiting potential clients. Their task is to indicate where the narcotics can be purchased; they serve as promoters of the drugs.

Clients typically buy a few grams of drugs for personal consumption, which gives low profit margins¹⁴. Moreover, there is no implementation of price discrimination mechanisms. On the contrary, dealers exchange with any person that comes to the house to buy, without any requirement of previous association. They do not have specific working hours, but are available at any time, day or night. As a result, house dealing is accessed by a wide range of buyers, and the fidelity of the clients is limited. For this reason, fixed dealing benefits are sustained by the collection small exchanges with multiple (unrelated) costumers more than by repeated interactions with the same clients.

Street dealing comprises the second category of supply. These dealers do not work in groups or with their families, but take selling drugs to the streets. They are individuals who simultaneously balance drug dealing with a legal job, in most cases informal¹⁵, which is the main source of income for many citizens. These types of jobs generally do not belong to a specific location, but take place on the streets of the cities (i.e., individuals who walk around the city selling candies, cigarettes and snacks). Street dealers use their legal front to increase their income and as a shield to distribute drugs. Another way of street dealing

¹⁴ The possibility of storing great quantities of drugs makes house dealing a potentially higher intermediary supplying for other final sellers. However, this is not a common practice for the greater level of organization it requires and the higher levels of risk involved, for a familiar business.

¹⁵ Colombia is a country with a high level of informal economies. Mondragón-Velez, Peña and Wills (2010) studies the characteristics of informal economies in Colombia. In addition, Guataquí, García-Suaza and Rodríguez-Acosta (2011) shows that in 2010 the rate of informality in Bucaramanga was 63.43%.

occurs inside discotheques and bars. The strong relationship between drug users and nightlife makes bars and discotheques places where drugs are in high demand. Street dealers are exposed to encounters with the police while walking in the city or locating themselves in public places. The legal job serves as a distribution mechanism, but not as the storage point. Therefore, they cannot carry great amounts of drugs. Street dealers keep most of their supplies in an independent and hidden storage place, a *stash*, and carry enough drugs to supply various clients. However, the available supplies are much lower than in house dealing. Whenever they ran out of drugs to sell, dealers return to their stash, take out more, and go back to the selling point. As a consequence, the street dealer partially unlinks storage from the distribution point, and we classify it as a semi-fixed type of exchange. Street dealers offer the three classes of drugs, as well.

Street dealers actively look for clients and complement their profits with the income from their legal jobs. They maintain the same condition, as in fixed dealing, of exchanging with every client independently of whether they have previously met or not. This allows them to increase payoffs by the aggregation of small exchanges, but also decreases the expected fidelity of clients. However, by partially unlinking storage from distribution, they reduce the potential risk of capture compared to house dealing, given they gain mobility. Additionally, they decrease the size of a potential punishment in the case of being captured, for they carry smaller amounts of drugs. In summary, the street dealer intends simultaneously to diversify her products in order to increase her income, and to disconnect most of the storage from the distribution in order to avoid higher potential punishments in the event of being captured.

The third category is the *domiciliary*. This dealer delivers the drugs directly to the users' preferred location (i.e., her house or office). This exchange emerged from the increased accessibility of mobile communication, and is characterized by dealers who are contacted by their clients via cell phone. By default, it is generalized as being related to an informal activity: the supply of street cell phone communication¹⁶. In this sense, mobile

¹⁶ The interviews allowed us to recreate the "history of mobile drug dealing in Colombia". The domiciliary exchange started at first using beepers or pagers, which provided a communication service using text messages. However, its use was not frequent because the procedure required an intermediary: the operator from the company offering the paging service. This scenario experienced a dramatic change since 1994, when the cellular phone communication came to Colombia. The elimination of any intermediaries made very popular to contact drug dealers to their mobile phones. In

communication and its increasing informal supply opened the way for a new type of drug exchange that started in the nineties: domiciliary drug dealing.

Through a cell phone call the client contacts her dealer, specifies the class and amount of drugs she wants, and sets a meeting place; which can be different for each encounter. Dealers normally store the drug supplies at their house. After receiving a call, they go to the storage point and pick up only the amount of drugs requested by the client. The mode of transportation used by domiciliary dealers in Bucaramanga for their deliveries is a motorcycle, which allows them to easily return to their stash every time they get a new call. In this order of ideas, this exchange is characterized by fully detaching the storage of drugs from the distribution, and the distribution from a pre-established and fixed geographic point. Thus, we denote it as a mobile exchange.

Domiciliary dealers also work 24 hours a day. However, there are three main characteristics that differentiate mobile exchange from the fixed and semi-fixed ways of dealing. First, it is characterized by selling drugs only to previously acquainted customers. An existing client must introduce every new customer. This increases the expected fidelity of clients and guarantees an increase in their margin of profit through repeated interactions with existing clients rather than by multiple small exchanges with one-time consumers. As mentioned before, the type of clientele using this service are businessmen, medical doctors, or people who want to avoid any suspicion when the dealer comes to their office or home to deliver the drugs. Second, domiciliary dealers follow a sort of dress code. Unlike house or street dealers that merge better in concentrated areas of crime by dressing informally, the domiciliary avoids drawing attention or suspicion by carefully choosing their appearance and clothes. Third, dealers tend to specialize in the distribution of cocaine. The domiciliary does not sell crack because it is not profitable given the relation of price to unit of weight; every gram of crack is worth a tenth of the price of cocaine. They also do not sell marijuana because of the relation of price per unit of volume, that is to say, the space needed to hide marijuana in the delivery is much higher given the price it is worth;

addition, a complementary phenomenon of informal activities, the *street supply of cellphone calls* reinforced this modality of drug exchange. Individuals stand on the corners in commercial areas, selling phone calls at low rates. The emergence of informal cellphone communication caused a peculiar calling pattern, not only to contact drug dealers. People receive calls with their own mobile phones, but make calls by using the street suppliers, due to the fact that calls made through informal providers cost less than calling plans offered by the phone companies. The informal supply turned into the way to leave false records, for no client needed to use her personal mobile phone to contact a dealer.

compared to cocaine. Dealers reported that to sell marijuana it would be necessary to exchange greater amounts. Yet, individual consumers are not interested in purchasing big quantities.

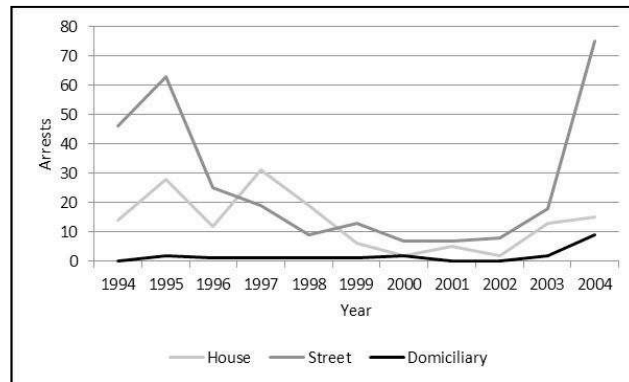
As a result, the technological advancement of cell phone communication has widened the possibilities to avoid police action and to reduce the transaction costs. One call between previously known clients and dealers is all it brings to simplify the process. In contrast to this, fixed dealers are those who use traditional technology. These dealers continue inside the market either because they are not completely specialized and offer the three classes of drugs, or because they do not compete directly with the segment of the market covered by the domiciliary. The house dealer stores and offers the three classes of drugs, and the street dealer does not have a captive-market, but simply locates herself in a point in the city where it becomes easy for the potential customers to find her. Mobile exchanges, on the other hand, combine specializing in the high-income segment of the market with flexible organization, which is more difficult for the police to control. This combination leads to a higher margin of profit in comparison to the other two types of exchange, as reported by the mobile dealers interviewed.

4.3 Media analysis of drug dealing

We now complement the description of drug dealing types based on the interviews, with the criminal data published in Vanguardia Liberal. For this, we classified arrests in four groups: no type (16%), the house (27%), the street (53%), and the domiciliary (4%). We could not classify some observations in any of the established categories, given that the information was not homogeneous. When an arrest was reported in a building, located by its address, we classified it as a house dealer. In the same way, other observations specified the name of the street where the arrest occurred, usually pointing to a precise location. We classified these as street dealers. Finally, we classified as domiciliary the arrests for which the newspaper made an explicit reference and used domiciliary as the category, or when it referred to people transporting the drugs using a motorcycle.

Since mobile communication entered the country in 1994, the number of arrested house dealers has decreased, as illustrated in Figure 4. Starting in 2002, there has been a drastic change in street dealer arrests. The year 2004 marked the highest value of arrests in the series with 75 arrests.

Figure 4: Arrests per type of exchange along time

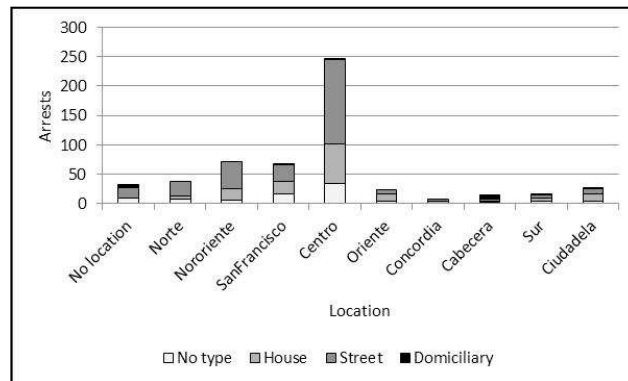


There is an increase in the arrests to drug dealers starting since 2002.

With respect to location, it is worth highlighting that most of the street dealers were arrested in the center of the city¹⁷. Figure 5 observes that 77% of the total arrests take place in the center and the northern areas of the city (Norte, Nororiente, and San Francisco) most of the captures take place on the streets. These are Bucaramanga's lower socio-economic neighborhoods. This relates to our consideration that fixed and semi-fixed dealings are located in areas where crime is concentrated.

¹⁷ The center of Bucaramanga is illustrated by the comuna \$15\$ in Figure \ref{bucaramanga}. The other areas are Norte: 1, Nororiente: 2, San Francisco: 3, Oriente: 13, Concordia: 6, Cabecera: 12, Sur: 11 and Ciudadela: 7.

Figure 5: Location of the arrests per type of exchange



Most arrests of fixed and semi-fixed dealers take place in areas of low socio-economic stratification.

In summary, the drug dealing market in the city of Bucaramanga does not consist of big organizations; each dealer can be considered a one-person firm. This fact can be explained by the illegal characteristics of the business, and leads to the observation that each dealer has very small market power. This market structure best serves the interests of both the consumer and the dealer, as they jointly aim to avoid police surveillance.

5. The role of the police

The police are in charged of monitoring, tracking, capturing and taking to justice anyone who commits a crime. Therefore, each police agent has the obligation of forcing dealers and consumers to obey the laws that they choose to break. In this section, we explain the strategies police agents employ in this context. A police agent, as perceived in our research, has two duties. First, they decide on the amount of effort invested into the surveillance and arrest of potential and actual offenders (Becker, 1968). Second, they choose on the level of punishment a captured criminal receives. It is crucial to note that the description developed here is based upon the information obtained from the interviews with the dealers.

5.1 Monitoring and capture

Policemen have a great deal of duties. Among others, they are responsible for finding and bringing both drug dealers and users¹⁸ to justice. However, the mechanisms designed by dealers and consumers to exchange make it very difficult for the police to locate them. In order to combat this, police agents must obtain information to capture offenders. One method is to monitor by way of security cameras and patrol areas of centralized crime. Another source of information are neighbors who feel threatened or offended by the presence of addicts purchasing drugs in their neighborhood. Nevertheless, surveillance and information from neighbors have specific implications depending on the type of drug dealing.

The fixed and semi-fixed exchanges are more likely to be observed and such dealers are more likely to be arrested compared to mobile dealers. Due to this fact, dealers often carry small amounts of drugs in their possession. This allows them to disguise as a consumer thus guaranteeing a much lower punishment than if processed as a dealer. The domiciliary, for whom storage is detached from distribution, and distribution separated from a fixed area, does not carry any other evidence of her job except the amount of drugs requested for one client. Moreover, clients meet domiciliary dealers in public places such as cafeterias, or in the clients' office, where the reach of the police is minimal. As reported in the interviews, most captures to domiciliary dealers happen given the information provided through parents of young drug users who find out what their children are doing. However, a high level of effort is required to capture this type of dealers, much more than for the other types.

For a more detailed analysis of the data presented in Vanguardia Liberal, we studied the existing relationship between the type of dealer arrested and other available variables. We chose the arrests of house dealers as the dependent variable. This type of arrest is clearly identifiable within the data, for it occurs in a house or a building, while the other types of

¹⁸ For the case of Colombia, drug users are also penalized. The government of Uribe Velez reformed Article 40 of the Constitution, and changed laws 30 of 1986 and 100 of 1993, imposing a legal punishment upon the personal dose of drugs.

dealing, street and domiciliary, take place on the streets of the city, and the classification is not as apparent.

In Table 1 we present the results of four logit models used to study the probability of being captured in a *house*. We use *age* and the lineal tendency (*year*), as explanatory variables. Additionally, we include the dummy variables of gender (*male*) and possession of weapons or drugs at the moment of the arrest. For regressions 3 and 4 we also included dummy variables for geographic location within the different sectors of Bucaramanga. The difference in regression 4 is the exclusion of the *age* variable, which allows us to study the entire sample.

Table 1: Regression arrests of house dealers

	REG1	REG2	REG3	REG4
Constant	239.602***	142.962**	123.990*	32,599
Year	-0.121***	-0.073**	-0.064*	-0,018
Age	0.038***	0.039***	0.040***	
Male	-0,161	-0,131	-0,149	-0,209
Possession				
Knife	-1,333	-1,213	-1,156	-1,758
Firearm	1.863***	1.844***	1.692**	1.540***
Money	0.941***	0.717**	0.823***	0.428*
Cocaine		0.682*	0,58	0.580*
Marihuana		0.467*	0.468*	0.491**
Bazuco		1.397***	1.407***	1.505***
Location (ref. Centro)				
Norte			-0,294	-0,585
Nororien			-0,397	0,138
San francisco			0,152	0,48
Oriente			1.036*	1.009**
Concordia			0,772	1,369
Sur			0,61	0,822
Ciudadela			0,775	1.189***
Cabecera			-0,469	-0,883
Observations	415	415	415	546

Logit estimation. * p<.1; ** p<.05; *** p<.01

The *year* variable supports the observation that arrests of house dealers decreased over the years studied, as illustrated in Figure 4. This coefficient is always negative and significant in the first three regressions. In contrast to this, the *age* coefficient is positive and significant, which indicates that there is a higher probability that the older dealers will

be house dealers. In terms of gender, there are no significant differences, although the negative sign for this variable suggests that the proportion of men captured in the house dealing type is slightly lower than in the other types of dealing. In total, 60% of the arrested dealers are men, while in the house dealing sample, this proportion is 49%.

In terms of the possession of weapons at the moment of the arrest, the probability of carrying a firearm is greater for house dealers. In contrast, knives are more common amongst mobile dealers. The coefficient of the *knives* dummy variable is always negative and not significant, while the coefficient for the *firearm* dummy variable is always positive and significant. It is also relevant to highlight the possession of drugs and money at the time of the arrest. It is evident that the higher the amount of drugs found, the higher the potentially legal punishment for the arrested dealer. We observe that coefficients related to money and drugs are always positive and significant. The only exception is the coefficient of possession of cocaine in regression 3. In this order of ideas, we confirm that house dealers sell all three classes of drugs, and in the case of arrest, the probability that the police find evidence of their crime is higher than street or domiciliary dealers.

Finally, we used the center of the city as reference point to analyze the geographic location of the arrests. The highest number of arrests is focused in the city's center. From this, we conclude that the proportion of house dealers in comparison to the other two types of exchange is comparable in all other sectors of the city. This is supported by the non-significance of the coefficients. In the entire sample, 27% of the arrests pertain to house dealers, and this percentage trend would continue even if the sample were divided by sectors. The *oriente* and *ciudadela* sectors are an exception, for they have a positive and significant coefficient. We can infer that the higher proportion of arrests in these residential areas is due to information provided by neighbors who negatively perceive drug users and dealers.

5.2 The punishment

In addition to the level of effort invested into surveillance and capture of criminals, police agents have another decision to make: the level of punishment applied to a captured

criminal. On one hand, and being completely legitimate, the police agent has to bring the arrested individual to the police station in order to start the legal process against her. However, in some cases, the choice made is different and police agents punish offenders according to their personal criteria.

Dealers have informed of cases in which a police agent punished them using physical aggressions. These aggressions were never strong enough to leave a blemish, which could be used against them afterwards; its sole purpose was to intimidate and deter the delinquents from participating in drug exchanges again. In other cases, the punishment was monetary. Police agents kept the money and the drugs from the arrested dealer or consumer, and released them. Another punishment is the threat of reporting a greater amount of drugs than what captured dealers or consumers actually had. Given that police agents keep in their possession the drugs from previous arrests, they threaten to add those substances to the list of possessions found at the time of arrest. This implies a significant difference in the legal punishment that the dealer or the consumer could receive. Dealers informed that in most cases these deviations from the legal punishment were used when the arrested individuals behaved aggressively against the police agents who captured them. Other police operations aimed to capture various types of criminals can lead to the finding of drug dealers as an indirect result. Nonetheless, it is possible to conclude that arresting a single drug dealer is not profitable since the costs to search, capture, and penalize the dealer are much higher than the value of such an arrest for society. Moreover, the impression that drug dealers provided in the interviews is that they do not feel persecuted or surveyed. They believe that with a low effort of discretion it is possible to elude most police activity.

In summary, police action attempts to deter criminals and to capture those who are not deterred. In response to prohibition, criminals aim to avoid the police activity. At the drug dealing level, it is usually more profitable to hide, by keeping a low profile, than trying to negotiate with the authorities; leading to a reduction in the incentives of dealers to organize the business through horizontal or vertical integration.

6. Final Remarks

This research develops a description of the market of illegal drugs sold to the final consumer in the city of Bucaramanga (Colombia). Drug users in the city are not homogeneous. On the individual level, the consumer must choose which drug to buy and look for a dealer accordingly. The choice is made between crack, marijuana and cocaine, and it is possible to state that their idiosyncratic characteristics determine different segments of the market. Beggars or street inhabitants will look for a more fixed type of exchange, such as a house dealer, due to budget constraints. Individuals with a higher level of income will choose to have cocaine delivered, given this type of dealing is more comfortable and less risky.

The problem of deterrence is central, given that the police impose most of the costs for the individuals who attempt to exchange drugs. Nevertheless, the law serves merely as a frame of reference to assess the payoffs and not as an unbreakable condition. This is a crucial element in terms of contracts because the illegal exchange implies that the parts involved need to generate informal mechanisms to bring the agreements into compliance.

It is not profitable for dealers to consolidate one big firm of drug exchange. The state of uni-personal firms reduces visibility from the police and diminishes the incentives of the State to invest a higher level of resources to capture them. As a result, drug dealing businesses in Bucaramanga present low revenue margins. These margins are complemented by selling to all potential clients in fixed exchanges, by the revenues of the informal legal jobs in the semi-fixed exchanges, and by specializing in the exchanges of cocaine to previously known clients in mobile dealings.

In conclusion, we observe that both consumers and dealers attempt to avoid being exposed to the action of the police. Our main finding is that the drug dealing market is lead to complete vertical and horizontal disintegration, instead of directly confronting authorities. A fundamental cause for this is the low-price context of drugs, due to the fact that Colombia

is a producing country. Further intended research will observe the relation between the drug dealing market in producing countries with the phenomenon of drug tourism. Drug tourists are consumers who travel to countries where drugs are either produced (i.e. Colombia, Bolivia, Mexico) or legal (i.e. The Netherlands, Canada), to obtain higher levels of quality for lower prices.

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