Abstract

While 93% of research activities in Europe focus on researching fields of understanding drug use and demand reduction, only 6% of European research deal with reduction of supply, e.g. different stages of illicit drug supply, including cultivation and production, trafficking and diversion/leakage plus drug markets and distribution. (Buhringer/Farrell/Kraus et al. 2009) This paper addresses the 6% relating to supply reduction and explores dynamics of mobility of upper-level drug dealing in Europe. Along the central research question - how do upper-level drug dealing networks operate in the European Union? - a qualitative case study on one single network has been conducted. This includes about 45 upper-level drug dealers operating in the European Union and mainly involving Austria, Germany, Sweden, the Netherlands and Spain. Instead of enumerating frequencies, the paper aims to enhance theory on organizational aspects of upper-level drug dealing in Europe.

However, the in-depth case study is based on three semi-structured interviews with an imprisoned man convicted for drug-dealing offences and three semi-structured interviews with experts from the Austrian Federal Criminal Agency. As a third data source served legal files on one upper-level drug dealing network, including investigation records, phone tapping protocols, accusations, trial protocols and verdicts. The data is being analyzed with qualitative content analysis (Schreier 2012, Mayring 2008), a method suitable for systematically looking deeper into what the very content of the data includes. This analysis is the first qualitative research in the field of upper-level drug dealing for German speaking countries (Wehinger 2011; Dorn/Levi/King 2005).

Understanding the structure and operations of drug markets better, may contribute to improving the understanding of this complex area as well as provide law enforcement agencies with information on where and when they may focus their activities upon. (Wilson/Stevens 2008)
Introduction: Why researching upper-level drug dealing?

Drug dealing is a highly profitable global business. Therefore, the illicit drug business generates more than estimated 350 billion Euros in sales. (UNODC 1997) Law enforcement, drug seizures and the war on drugs - none of them led to a verifiable reduction of the global drug problem on the supply and demand side during the period of 1998 to 2007. Despite the fact that law enforcement efforts are increasing, drug retail prices have basically declined in Western countries. Additionally, interventions have an effect where drugs are produced and smuggled, e.g. illicit drug production shifted from Peru to neighbouring countries due to increasing eradication efforts in Peru. In short, control efforts seem to have limited effect on drug demand, for instance drug use is driven by broader social, economic and cultural factors. (Reuter/Trautmann 2009) In conclusion, drug dealing is highly effective and cannot be controlled or eradicated so far.

Some studies have been conducted for the US and Latin American countries, analyzing systematically how drug networks and drug cartels operate and pointing out quite large, hierarchical organizations. (e.g. Kenney 2007; Desroches 2007; Marez 2004; Krauthausen 1997, Reuter/Haaga 1989) Nevertheless, equivalent research in the field of upper-level drug dealing is missing for Europe. There is a lack of empirical data on upper-level drug dealing networks, plus a lack of theoretical concepts explaining organizational dynamics of upper-level drug dealing. Moreover, there are different definitions on upper-level drug dealing, each capturing certain aspects. (Wehinger 2011; Matrix Knowledge Group 2007; Ritter 2006; Dorn/Levi/King 2005; Pearson/Hobbs 2001; Dorn/Murji/South 1992) Reasons for the limited research on upper-level drug dealing include the fact that gaining access to the research field itself is limited. On the one hand, there are covert and secretive law enforcement agencies and on the other hand, there are covert and secretive high-level drug dealers – none of them like to be looked behind the scenes. (Besozzi 2001)

In order to address this research gap, the present paper aims to provide an empirical analysis on the operation and structure of a network of upper-level drug dealers within the European Union. Therefore, a qualitative case study has been conducted on a network of 45 upper-level drug dealers mainly operating in Austria. The in-depth case study is based on three semi-structured interviews with an imprisoned man convicted for drug-dealing offences, three semi-structured interviews with experts from the Austrian Federal Criminal Agency, and additionally legal files (including investigation records, phone tapping protocols, accusations, trial protocols and verdicts) on one upper-level drug dealing network. The data has been analyzed with qualitative content analysis (Schreier 2012; Mayring 2008), a method suitable for systematically looking deeper into what the very content of the data includes. This analysis is the first qualitative research in the field of upper-level drug dealing for German speaking countries (Wehinger 2011; Dorn/Levi/King 2005). The next section introduces the qualitative research design and analysis for the case study followed by the findings. Finally some conclusions and discussion are offered.

How to do case study research on upper-level drug dealing?

This section gives a brief overview of the case study design. The aim of the case study is to address the main research question: How do upper-level drug dealing networks operate in the European Union? Consequently, an exploratory single case study was chosen to deal with the research question. An explorative research is chosen, because only a few empirical studies on upper-
level drug dealing have been conducted for the European Union and theoretical concepts explaining organizational dynamics of upper-level drug dealing are almost lacking. The unit of analysis (Yin 2009) for the qualitative case study consists of one single network of drug dealers, who have been finally convicted. Additionally, this case study research serves the purpose of developing or enhancing theory and not enumerating frequencies.

For selecting the previously mentioned single network of drug dealers a `purposeful random sampling’ strategy was chosen. The purpose of a small random sample is credibility, not representativeness. A small, purposeful random sample aims to reduce suspicion about why certain cases were selected for study, but such a sample still does not permit statistical generalizations. In contrast to quantitative approaches (where typically larger samples are selected randomly), the logic of purposeful sampling lies in selecting in formation-rich cases for study in depth. (Patton 1990)

Therefore, a list of 105 legal files handed over by the Austrian Ministry of Justice (criminal convictions for drug dealing offences) was reduced by a Java program according to the principle of contingency. As a result, a list of 30 legal files was selected through this random procedure (to be analysed in depth). As a next step, every single file on that list was screened on the Vienna Criminal Court on the basis of a data entry form. (Lamnek 2005) The features on the data entry form were asking for e.g. how many people were prosecuted and judged, whether there had been previous convictions for drug dealing, if illegal drugs had been shipped to another country, if there had been additional convictions (e.g. for money laundering) and if poly-drug trafficking was the case. As an outcome of this screening procedure, just one single legal file seemed to be appropriate, fulfilling most of the features. Finally, this single legal file (including about 2000 pages of data) was chosen to be analysed in depth in the case study.

As previously mentioned, the first source of data used for conducting the case study were all legal files generated on that single network mentioned above, involving about 55 illicit drug offenders. Hence, the court files consist of investigation records, phone tapping protocols, interrogations, accusations, various trial protocols, many verdicts, namely 2000 pages of data. The final decisions have been made according to the Austrian Narcotic Substances Act and the proceedings were no longer subject to appeal.

As a second source of data collection serve three qualitative and semi-structured interviews (Gläser/Laudel 2004) with one imprisoned drug dealer. Each of the interviews was carried out in an Austrian high security prison and lasted about 1,5 to 2 hours. The interviews were recorded and afterwards transcribed. The drug dealer (so called `main character’) was sentenced to 15 years of imprisonment in Austria. In contrast, a person sentenced to life imprisonment in Austria is being released after an average of 21 years in prison (Kett-Straub 2011). The interviews dealt with the following themes: drug market entry, awareness of legal sanctions, sources of financing, motivations for dealing, buying drugs, organization of smuggling and distribution, money laundering, investments, cooperation and corruption, use of violence, trust and reliability.

As a third source of data collection, three semi-structured interviews (Gläser/Laudel 2004) with leading people from the Federal Criminal Agency in Austria (department of money laundering, drug-related crime and international police cooperation) were carried out, recorded and afterwards transcribed. The interviews dealt with the following themes: legal framework, challenges and milestones in cooperation with EU-member states, principle of national sovereignty, drug dealing and organized crime and process of money laundering and prosecution. Moreover, access was
granted to three data sets following multiple applications to the Austrian Ministry of Justice and Austrian Ministry of Interior. It was agreed to make the data anonymous.

Although triangulation (examining an object of research from at least two points of view (Flick et al. 2007)) of data is nowadays (Flick et al. 2007; Kelle 2001) not used for validation in the first place, the present paper is based on the classical conception of triangulation (Denzin 1978). Therefore, three different data sources were chosen to bring together three different perspectives on one phenomenon and to get a deeper understanding of the research subject: While the legal files cover a legal and law enforcement perspective, the interviews with the drug dealer intend to capture a complementary perspective and give the actor himself the opportunity to speak. The expert interviews with the Austrian Federal Criminal Agency, however, followed the purpose to gain background knowledge and additional contextual knowledge for a better embedding of the other two data sources. This multi-perspective approach is seen as a key to understanding upper-level drug dealing networks.

Using qualitative content analysis (Schreier 2012; Mayring 2008) for all three different data sources a coding frame was built, inductive as well as deductive, to interpret the data gained. Furthermore, the software program MAXQDA 10 (Verbi GmbH 2011) was used as a tool to organize and analyze the data. Actually, qualitative content analysis (QCA) is a method for systematically describing the meaning of qualitative material. This is done by classifying parts of the material as instances of the categories of a coding frame. It is required to focus the analysis on relevant aspects of the data, as indicated by the research question. QCA is flexible to the extent that the coding frame must be adopted in order to fit the data, that is, to be valid. In short, QCA is systematic, flexible and it reduces data. (Schreier 2012)

The strength of QCA is shown in the process: the material is analyzed step by step, following the rules of procedure. Central to it is the development of a coding frame, which is the core of QCA. It is a way of structuring the material of the study, as indicated by the research question. While building a coding frame for this study, a combination of deductive and inductive strategy was applied. According to the deductive approach the categories were built on previous knowledge and research on upper-level drug dealing namely Reuter/Trautmann 2009, Wilson/ Stevens 2008, Matrix Knowledge Group 2007, Dorn/Levi/King et.al. 2005, Desroches 2003, Pearson/Hobbs 2001, Adler 1993, Dorn/Murji/South 1992, Reuter/Haaga 1989. Moreover, for applying the inductive approach categories were derived from the interviews and legal files, namely Mayring’s subsumation (2008) was used to generate and build the data-driven part of the coding frame. Therefore, each relevant segment was either subsumed under an already existing subcategory or a new subcategory was generated. This procedure was repeated until the point of saturation.

The coding frame for the present study meets the quality standards for QCA. In fact, two main quality criteria are important for evaluating the coding frame: reliability and validity. While reliability is looking for the consistency of the codings by comparing codings across persons, validity is securing that the categories in the coding frame adequately represent the concepts in the study. The coding frame can be considered reliable (error-free) to the extent that two independent coders agreed on assigning the units of coding (during pilot phase). Consequently, during an extensive discussion between the coders problem items were identified and agreement was achieved where units of coding were interpreted differently. However, for assessing the validity (does the coding frame capture what it sets out to capture) of the coding frame, face validity is used for an inductive
coding frame and content validity is used for a deductive coding frame. Face validity is given for the coding frame due to the fact that not many units of coding were assigned to residual categories. On the other hand, same categories having a high level of abstraction is not necessarily a sign that they are undifferentiated and of low face validity. In fact, a high level of abstraction in one category needs not to be a problem if the category is in relation to other very concrete categories. Furthermore, the content validity of the coding frame is related to the consistency of the coding frame. In this way, content validity corresponds with reliability. Therefore, the coding frame of the present study shows high validity due to inductively and deductively generated categories, it was tried out on a part of the material (pilot phase), it is sufficiently reliable and not many units of coding were assigned to the residual categories. (Schreier 2012)

Findings: How does an upper-level drug dealing network operate in the European Union?

For answering the research question – how illicit drug trafficking is organized on upper-level drug dealing within the EU – an in depth single case study about a drug dealing network issued with a final sentence was analysed. Thus, three different data sources – three semi-structured interviews with experts from the Austrian Federal Criminal Agency, three semi-structured interviews with an imprisoned drug dealer and legal files generated during criminal proceedings – were analysed with qualitative content analysis (Schreier 2012) and supported by the software program MAXQDA 10 (Verbi GmbH 2011). The outcome of the case study is related to previous theoretical background and research on upper-level drug dealing for answering the research question properly.

A brief summary on the single case study will give an overview on the network’s activities: The network operated continuously for a duration of two years. About 55 people were involved in buying tons of hashish and kilos of cocaine from different sources in Spain and the Netherlands. For this purpose, drugs were hidden in prepared vans and different people were hired to ride these transporters from Austria to Spain or the Netherlands and back to Austria. Meanwhile other people took a plane to get there, test the quality of drugs before buying and paying them. However, the roles of the 55 people involved changed over time. Being back in Austria, the drugs were stored in apartments, garages and open-air storage places. Consequently, the drugs were sold directly or resold directly to consumers through an intermediary at special bars. Finally, the money was invested to buy new transporters and cars and some people ran a real estate business in a neighbouring state of Austria. Furthermore, the people involved ran several bank accounts in Austria and in a neighbouring state.

This paper will focus particularly on findings concerning organizational characteristics and market specificities of high-level drug dealers. A first key conclusion of this case study is that the analysed network would not use violence as a means to solving conflicts. As a result, the thesis that violence is of little importance on the wholesale level of drug dealing (Reuter/Haage 1989; Adler 1993; Pearson/Hobbs 2001; Desroches 2003, 2007; Dorn/Levi/King et.al. 2005; Wehinger 2011) could be confirmed. Therefore, the use of violence plays a tangential role on this trading level because it attracts the attention of police enforcement authorities, which has negative consequences for drug trafficking. For the present case one single incident of physical violence was recorded during the period of at least one year. Additionally, several cases of threat because of accusations of fraud among the actors of the drug dealing network were documented. Moreover, the examined network was threatened by another network in the greater area of Vienna, whereby this thread did not lead
to other forms of violence during the investigation period. In addition, some actors of the network were carrying guns for securing the purchase while selling hashish to bulk buyers (i.e. more than 10 kilos per transaction).

The representatives following the thesis about the minor importance of violence in upper-level drug dealing hold the view that building trust and loyalty helps to avoid problems. Certainly, every actor involved benefits from long lasting business relationships. (Reuter/Haage 1989; Adler 1993; Pearson/Hobbs 2001; Desroches 2003, 2007; Dorn/Levi/King et.al. 2005; Wehinger 2011) This thesis is also valid for the present study. Using violence was rarely a means of settling conflicts. On the contrary, building relationships of trust between the actors of the network and the source of supply was mutually beneficial for both sides: By establishing a stable and long lasting business relationship to the source of supply, the actors of the network bought large quantities of hashish regularly. Furthermore, as soon as the recruited carriers proved themselves, they were introduced to the source of supply and were allowed to perform a complete tour independently and without having to contact other actors of the network in the meantime. The carriers were provided with higher compensation for their commitment.

Another thesis is valid for the present research: Business partners in the upper-level drug dealing sector know each other for years and family relationships and friendships strengthen the trust base. (Desroches 2003) Numerous actors of the examined network have been friends and some actors were in a relationship with each other.

A second key conclusion of this case study is that corruption of public officials is rarely used by upper-level drug dealers. This thesis is supported by Desroches (2003), Adler (1993), Dorn/Murji/South (1992), and Reuter/Haage (1989). There were two expressions of corruption in the case study. Firstly, a network of upper-level drug dealers cooperated with an anti-drugs unit of the police. Secondly, individual policemen cooperated with some tenants of special bars - where hashish was sold to customers. Desroches explains the minor importance corruption in the high-level drug dealing sector: The salaries and pensions of civil servants in wealthy, Western countries are high enough and therefore incentives for corruption are low. Another explanation is that upper-level drug dealers would assume that bribing a public official is a difficult task in these countries and their `help` is not necessary for doing business. (Desroches 2003, 253) The examined network of upper-level drug dealers was able to do their business for a period of at least one year without the `help` of public officials.

A third key conclusion is regarding the organisational form of high-level drug dealing networks. This topic is highly disputed in technical literature. (Reuter/Trautmann 2009; Hess 2008; Pearson/Hobbs 2001) In their studies, Reuter/Haage (1989), Adler (1993), Dorn et al. (1992) and Desroches (2003) come to the conclusion, that upper-level drug dealing is not a monopoly and it is not cartel-like in most cases. High-level drug dealers would rather prefer to work in small autonomous units or in short-term partnerships.

This thesis is also valid for the present research: According to the data analysed, 55 people were involved in buying, smuggling, re-selling and investing the money. Within a period of at least one year 1,2 tons of hashish were smuggled and re-sold by the network examined. Furthermore, the roles of the 55 actors involved did change during this period. Therefore, new actors joined the network, as well as others stepped out, e.g. because of internal disputes or increasing moral scruples. A long lasting business relationship was established to a source of supply (i.e. two brothers from
Morocco, who sold hashish in summer in Spain and in winter in the Netherlands), whereby three to four actors of the network were involved in financing the purchase. However, the financing shares changed over time. Additionally, the role of the boss was represented by up to three actors, who had no command over other actors of the network. Moreover, according to judicial acts three actors were in charge of the organisation of purchase, transport and the financing. Thereby, a chronological sequence was established. While at the beginning the quantities of hashish smuggled, as well as logistics and transport were rather small-scaled, a professionalization took place until the flowering stage of the network: e.g. increased volumes of hashish, recruited carriers, several transporters, which were modified and registered directly to the carrier (i.e. driver). Twelve carriers were recruited for carrying out transportation. At the beginning the carriers did not have knowledge about the contents and amount of their loadings. After a while, when the carriers proved themselves, they were allowed to carry out transportation and purchase transaction independently and were provided with higher compensation in return. Finally, re-selling of hashish was organized fourfold and one actor was particularly involved in selling his own share and the share of some other actors: Relatively small volumes of hashish were sold in eight rented bars; some actors sold drugs up to one kilo on consignment; actors of the network sold less than 10 kilo hashish to seven customers and more than 10 kilo hashish to five customers.

According to the theory of working in small autonomous units (Reuter/Haage 1989; Adler 1993; Dorn et al. 1992; Desroches 2003) there was no relationship of subordination between actors of the network and it was possible to keep personal autonomy. The actors were free to change or step out of the network (e.g. carriers, waiter) to a large extent. What is more, the product's quality and consumer satisfaction were important to the network’s actors, specifically the purchase in the country of origin and re-selling in Austria. In fact, poor quality of product was replaced immediately, whereby a basis of trust was essential for a successful business and customer loyalty. “I had to send it back just once. This was just once. Otherwise the product was ok. M: Sent it back? I: Yeah, exchange. That doesn’t work with anyone, you have to know each other well. Other suppliers are cheating you. You can’t so it that way, you have to check the whole loading. You really need some time to check 50 kilos.” (I-D 2.3, §83)

Conclusion

The upper-level drug business is an area worthy of more research investment. As described in the introduction, there are only a handful of research studies that relate to upper-level drug dealing, and most of these focus on the US and Latin American region. Even less research has been conducted on that topic for European countries.

This study, however, is the first qualitative research on upper-level drug dealing for German speaking countries and it is just a drop in the ocean. It aims to give a systematic overview on the structure and operations of an upper-level drug dealing network in the European Union using a correct methodological approach.

A lot of drug market research still needs to be carried out, especially for European countries, in order to win a better understanding of the structure and operations of drug dealing networks. Additionally, gaining further knowledge on higher levels of drug dealing may also be constructive for law enforcement agencies. As a consequence, various case studies need to be conducted across
Europe in order to compare the outcomes (on similarities and variations) and achieve a deeper insight into upper-level drug dealing in Europe.

References


N.N.: drug dealer, „Normalbesuch“ in prison Garsten, interview date 13.3.2009, duration 1h 52 min. (I-D 2.3)


