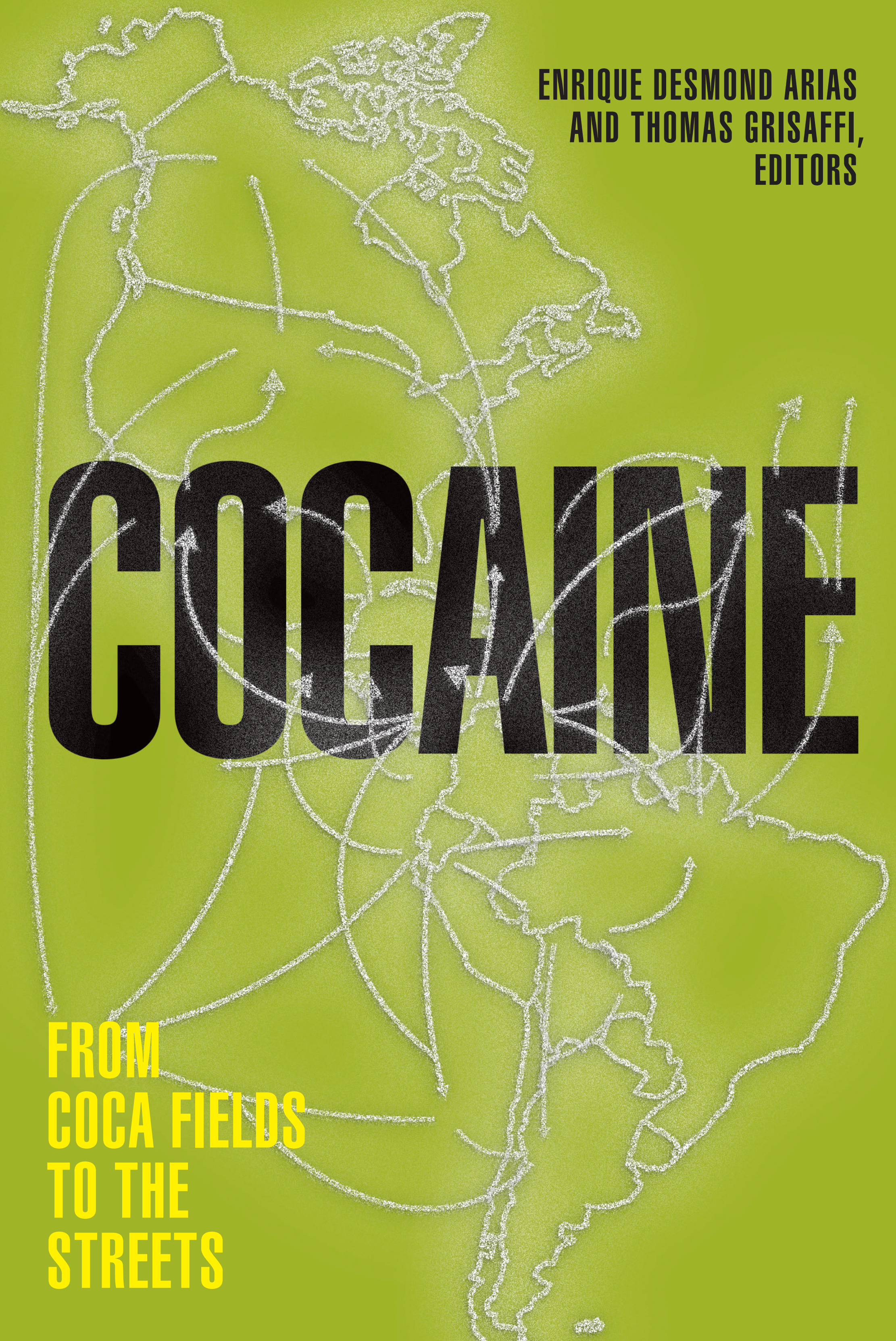
ENRIQUE DESMOND ARIAS
AND THOMAS GRISAFFI,
EDITORS



COCAINE

FROM COCA FIELDS TO THE STREETS

COCAINE

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Enrique Desmond Arias
and Thomas Grisaffi,
editors

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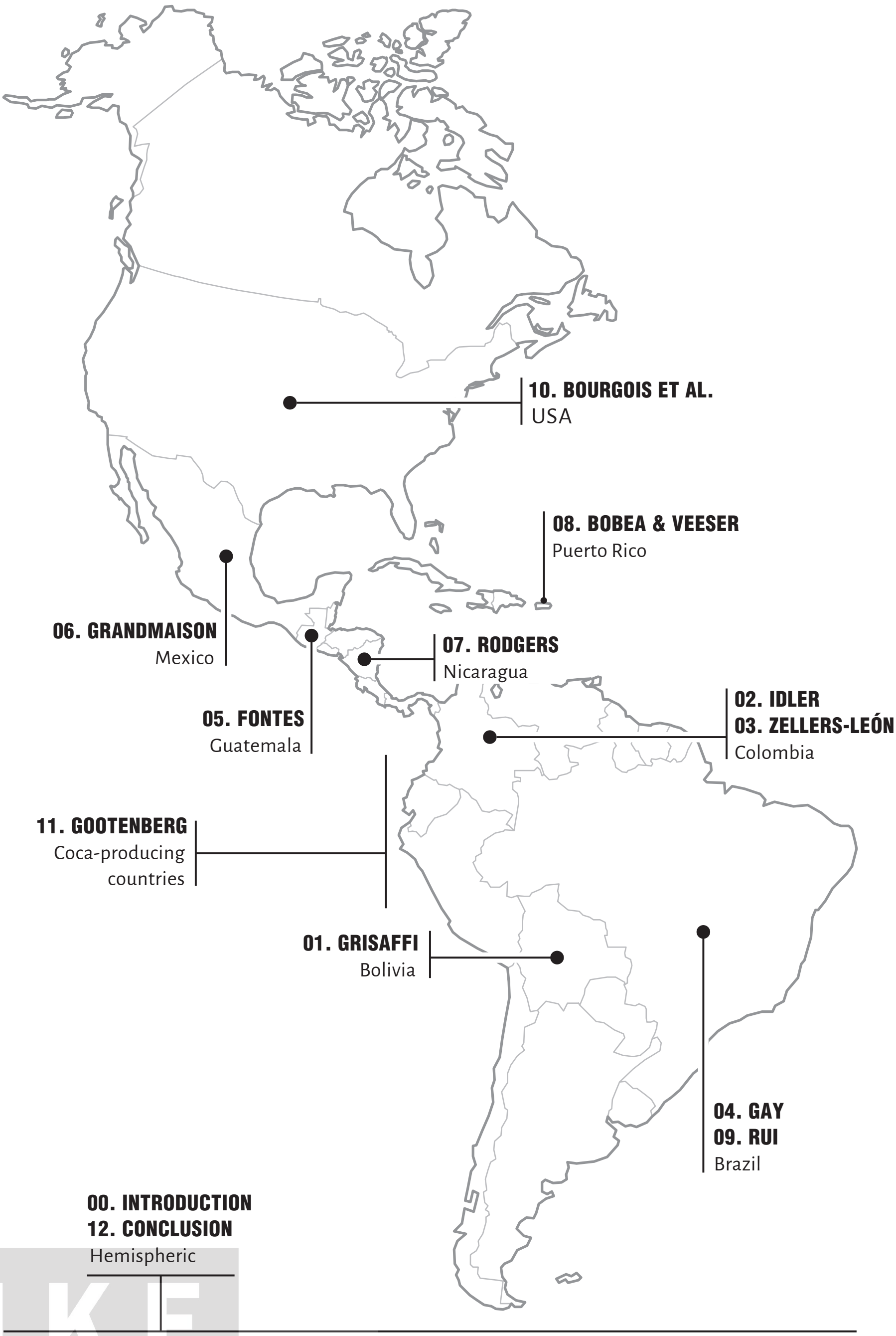
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ENRIQUE DESMOND ARIAS
AND THOMAS GRISAFFI

INTRODUCTION
THE MORAL ECONOMY OF THE COCAINE TRADE

Peru's Apurímac, Ene, and Mantaro River Valley (VRAEM) is a center for coca cultivation and drug production. Small planes fly in to pick up cocaine paste, stopping in Bolivia where the drug is refined into cocaine hydrochloride, and then dispatched to Brazil for onward sale to Europe, but also to feed the growing local market in cities like Rio de Janeiro and São Paulo. A single plane can carry 300 kg (660 lb) of cocaine paste, worth some $350,000. Orlando Mejia, a retired Bolivian pilot who worked flying drugs shipments for over twenty years, explained that this is dangerous work. Not only do the pilots face possible arrest, they also land their planes on extremely short dirt strips, and by his reckoning there are hundreds of fatalities each year. But the chance to earn up to $15,000 per flight makes it worthwhile. "Most [pilots] are inexperienced, they are young—they just want to earn a bit of cash and they risk it all," he said.

The small planes are unable to pass over the Andes as they cannot fly high enough—so all flights are channeled to the far north of Bolivia, which is low-lying. Orlando said that when he was a pilot there had been a long-standing agreement with the authorities that they would turn a blind eye at certain hours to allow fleets of aircraft to pass at the same time. He described how on the Bolivian side there are landing strips—some no longer than two soccer pitches, where the planes can refuel and the pilots can pick up some food, operating as a kind of service center for the drug industry.

The pilots not only carry drugs, but shuttle people back and forth as well. Peruvian suppliers and Bolivian buyers have to broker deals worth tens if not hundreds of thousands of dollars. But with no state to guarantee the contract, this is a risky business. To ensure trust, the family clans, which dominate the trade in this region, exchange family members, normally a nephew or son, in lieu of payment. If the drugs or cash do not reach their final destination, then the family member does not return home.

Sebastián, a young Bolivian man, spent three years traveling back and forth to the VRAEM as a human guarantee for drug deals brokered by his uncle. When asked if this was dangerous work, he confided that he was more afraid of flying in the small planes than any threat to his person on the part of drug traffickers. In Sebastián's telling, this was a predictable, stable, and safe occupation. "Peruvians are just like us . . . it's relaxed—we look after each other," he said. Sebastián explained that while in the VRAEM he was paid $1,000 a month to hang out with people he considered to be friends. He played football, drank beer, and had a good time. After three years he retired so that he could care for his young daughter. He used the money he had earned to buy a small house in an impoverished suburb of Cochabamba and a car that he ran as a taxi.

....

We open with this short vignette because it captures one of the key issues of our volume—namely the internal governance processes of the illicit cocaine trade, which rely on debt, trust, and negotiation with state authorities. Further, it highlights how, for people like Sebastián and Orlando, engagement in the cocaine trade is not something that is considered to be morally reprehensible. There are good reasons why Sebastián took up work in the drug trade—he would earn no more than fifteen dollars a day driving a taxi in Cochabamba—but through his involvement in the illicit business he was able to build a modest yet secure life for his young family. The drug trade, then, can be a source of stability, a path to social mobility, and a driver of economic growth, enabling relegated spaces to be incorporated into global markets.

Recent years have seen an explosion in writing about drug-related gangs and violence in Latin America. This emerging body of research provides scholars and the policy community with a resonant picture of the experience of life and politics in different places affected by the drug trade. The story as it is currently told, however, is a narrative of the experience of particular neighborhoods, cities, and countries affected, usually in negative ways, by this commerce. While these researchers acknowledge the effect of global drug markets on the places they examine, there has been little scholarly scrutiny of the broader drug commodity chain as it moves from production to consumption. Lost in the story are the specific ways the narcotics trade plays out in the region and how it has developed a complex process of self-regulation in the shadow of a state power that formally seeks to destroy it.

Building on this idea of self-regulation, we have titled this introduction "the moral economy of the cocaine trade" for two reasons. First, we seek to capture the idea that the illicit cocaine trade is often viewed in highly moralistic terms. Second, the title highlights how this illicit trade is governed by its own internal logic that connects to—but also diverges from—dominant economic models and is often deeply implicated in local, normatively regulated exchanges, like the kind of arrangements described in the opening of this chapter. The moral economy represents the ways that economies produce and are produced by social norms and expectations. While this occurs in legal markets, as is evidenced in the work of others (Thompson 1971; Scott 1977), in markets operating at the margins of the law, norms of exchange are essential not just to the operation of those markets but also to the ways those markets engage with and shape the communities around them. Social relations along a robust international illicit supply chain affect and are affected by the norms the economic activity in the supply chain generates.

Here we bring together scholars to examine the nature of the interconnection between sites along cocaine's global supply chain and the implications of those interconnections for social, political, and economic experiences in places affected by the trade and, conversely, how those interconnections affect the cocaine trade. Our contributors work on different phases of the drug trade to examine how formal government agents, acting both within and outside the law, and criminal actors seek to manage the flow of illicit drugs to maintain order and earn profits. We asked contributors to consider how the drug trade is embedded in specific places, but also to interrogate what impact the movement of drugs has on (re)ordering social relationships, shifting political processes, and generating secondary markets. In so doing, the volume outlines the ways that different iterations of the cocaine commodity chain produce and are produced by processes of self-regulation and how these forms of governance are rooted in alternative "moral economies."

Over the past decade, Latin American governments have pushed back against United States–funded and designed "supply-side enforcement" to tackle the drug problem. Regional leaders have argued for more effective and humane alternatives to supply disruption and repression, including the creation of regulated markets for narcotic substances, amnesties, transitional justice, and greater investment in harm-reduction practices (LSE IDEAS 2014). Concurrently, some Latin American countries have unilaterally made changes to domestic drug policy, provoking an unprecedented crisis for the international drug control regime (Klein and Stothard 2018). In this context, understanding the illicit governance processes of the supply chain is a pressing issue that points to how, on the one hand, executing drug dealers will add to the burden of violence but, on the other, state and social actors can develop more constructive strategies to address the manifold needs of the populations affected by drugs.

This introduction sets out the volume's argument in seven steps. The first section considers the broader literature on commodity chains to highlight how the flow of commodities affects lifeworlds. The second and third sections outline our understanding of the moral economy framework. Parts four and five bring the discussion back to cocaine, with a consideration of the dynamics of illicit production and governance, and their implications for the lived experience of communities affected by the trade. The penultimate section lays out a framework to examine the cocaine commodity chain in a more systematic fashion. The chapter ends with an outline of the contributions to follow.

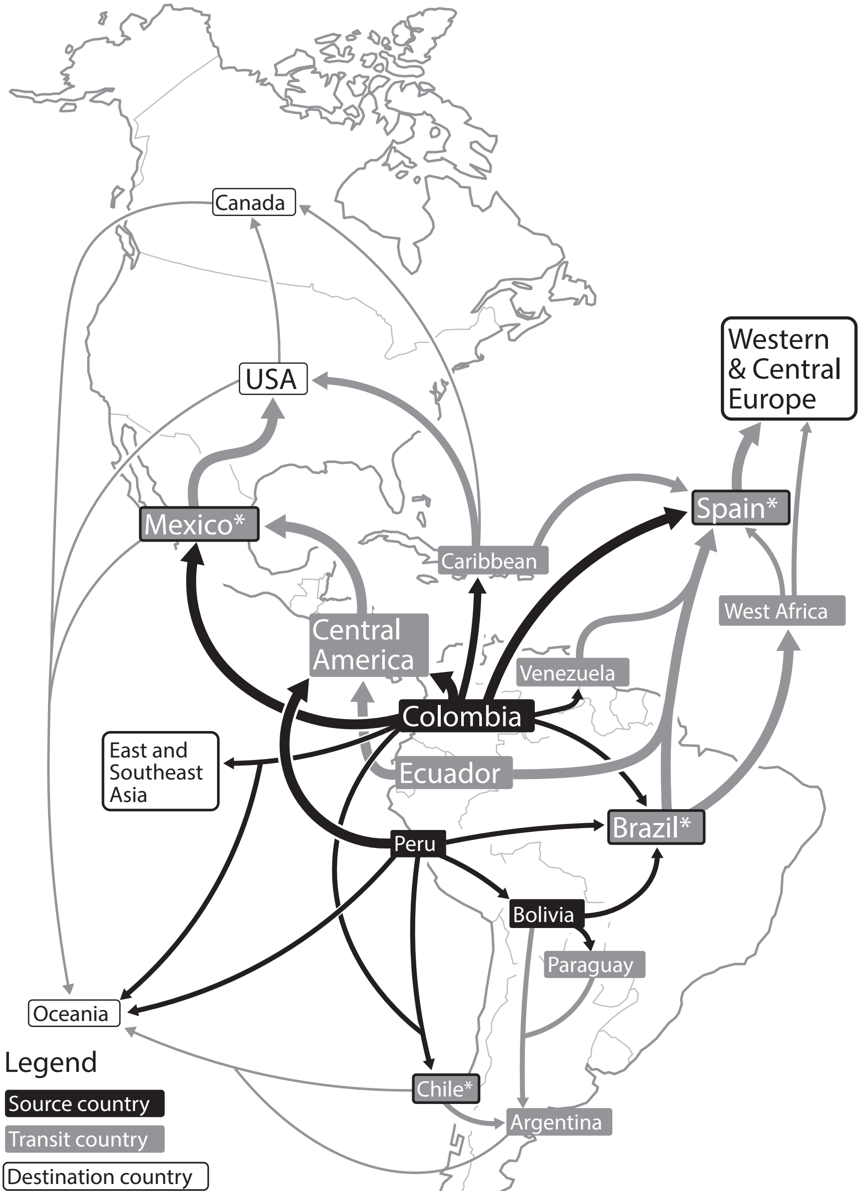
COMMODITY CHAINS

Global cocaine manufacturing in 2017 reached its highest level ever: an estimated 1,976 tons of pure cocaine, more than double the level recorded in 2013 (UNODC 2019: 13). The total retail value of the illicit cocaine trade equaled between $94 and $143 billion in 2014, the most recent year for which figures are available (May 2017).[1] The largest retail markets are in North America, which accounts for around 47 percent of the global market, followed by the markets of Western and Central Europe, with 39 percent of the market (OAS 2013: 10).[2] Cocaine use in Latin America has increased dramatically over the last decade. This is compounded by the rapid growth of the middle class, which means a growing local demand for all kinds of consumer goods, both licit and illicit. Brazil, with an estimated 3.3 million regular users, represents the second biggest national market in the world (see Gootenberg, this volume). More recently, Africa and Asia have emerged as cocaine trafficking and consumption hubs (UNODC 2018b). The cocaine trade, then, is not something marginal or insignificant; rather, it is a key part of the global economy, with a turnover similar to a global corporation like Allianz or Volkswagen (see Statista 2020), providing employment for hundreds of thousands, if not millions of people. And yet analysts know relatively little about how this complex commodity chain functions (see map I.1 for main trafficking routes).

With its conceptual roots in world systems theory, economic sociologists have used the notion of commodity chains, and more recently global value chains, to offer critical perspectives on state- and firm-focused analyses of global economies (Friedberg 2003; Bair and Werner 2011; Hough 2011). One of the most influential accounts in this genre is Sidney Mintz's (1986) history of the sugar trade, which traces that commodity over a 350-year span. In telling this story, Mintz links sugar with the historic emergence of capitalism, European conquest, African slavery, and the emergence and reproduction of an exploited working class in the United Kingdom.

The strength of Mintz's study, and the work that has followed, is that it offers an interconnected and process-oriented analysis of the emergence, development, and change of transnational production structures (Hopkins and Wallerstein 1986). Rather than seeing production and consumption as market processes regulated by sovereign actors, these scholars focus attention on how transnational production and consumption generate particular social and economic interactions among peoples and places across the globe (Gereffi 1994; Bair 2009). This perspective also exposes how various legal businesses, state officials, criminal groups, ordinary citizens, transnational corporations, and NGOs are linked into a web of exchanges, often with one site being unaware of the other (Scheper-Hughes 2000; Nordstrom 2007).

Sugar is particularly relevant to this study as it has several parallels to cocaine. It starts life as a plant and ends up as a white powder that is popular all over the world (see figure I.1). Where governments subsidize sugar, these same institutions heavily regulate cocaine. Sugar is seen as a source of pleasure, and in Mintz's narrative it even functions as a kind of drug—at one point he even refers to sugar as an "opiate" (Mintz 1986: 174). Building from Mintz, we know that commodity production and distribution transforms lifeworlds, but the creation of an illegal commodity, such as cocaine, transforms the lived experience, economies, environments, and society in particular ways that are not only unforeseen, but deliberately hidden from the eyes of researchers and public authorities. While it is possible to unpack one space in which an illicit product transmutes elements of social life, disambiguating these changes across the locales sitting along an entire chain of production is particularly difficult. It requires examining a cross



*Transit and destination country

Larger arrows and country names indicate higher volume of flows. Flows to Southern and East Africa, Middle East, and South Asia are not shown.

MAP I.1 Map of trafficking routes.

FIGURE I.1 Coca plant in the VRAEM, Peru.

section of relationships that maintain themselves formally isolated from one another and whose participants publicly seek to deny their connection.

Some scholars, working from macro and historical perspectives, have applied the logic of commodity chains to cocaine, pointing out the critical ways that consumption and law enforcement in the Global North disrupt life and create violence in drug-producing and transshipping countries (Wilson and Zambrano 1994; Stares 1996). Paul Gootenberg (2008), for one, has developed a systematic analysis of how the cocaine trade in the early twentieth century emerged out of particular market structures in North America, Europe, and Asia. The particularities of how firms in Germany, Japan, and the United States managed production generated particular life experiences and political consequences in locales as diverse as Peru and Indonesia. This work has made visible the association of different sites in the cocaine production chain. However, these writers, often working at a historical remove, have done less work on the complex and often clandestine governance processes associated with how illicit narcotics production chains actually operate on the ground today.

It is critical to note here that cocaine is entangled with other licit and illicit supply chains. As Gootenberg (2008) explains, cocaine's very illegality today is tied to the politics of the global production of cocaine and other competing anesthetics in the early and middle twentieth century. While the cocaine trade, with its marked volume and value, plays a substantial role in the social life of many communities in the Americas, it is also impossible to completely divorce it from other illicit supply chains. Mexican cocaine trafficking organizations emerged as groups of growers and suppliers of opium and marijuana, and those commodities continue to play a role in their activities, alongside newer drugs like fentanyl. Cocaine dealers in the United States do not always limit themselves to just dealing cocaine, and drug consumers are not necessarily tied to one specific licit or illicit narcotic.

MORAL ECONOMIES

Why do farmers in Bolivia not sell their coca leaves to the highest bidder? How come drug traffickers in Colombia require "brokers" to buy up cocaine paste? And what purpose does it serve for drug gangs to fund childcare services in Rio's favelas? These questions are not easily answered, because the functioning of the illicit trade defies the logic of mainstream economic theory, which assumes that all action is self-interested, oriented toward maximizing perceived personal gain. We argue that the cocaine value chain produces and is, in part, produced by social expectations or moral economies at various sites along that chain. To understand these moral economies, their effects on the cocaine trade, and their implications for how the cocaine trade affects social relations in different places, scholars should think more broadly about the interrelationship of social relationships, political hierarchy, and capital.

E. P. Thompson (1971) coined the term *moral economy* in his seminal work on food riots in eighteenth-century Britain. Thompson asked: When do grievances result in collective action? The source of unrest in Thompson's case lay in the tension between two models of the economy. The peasants, on the one hand, had a moral economy that valued guaranteed subsistence and fair play. The encroaching capitalist forces and, to a certain extent, feudal landowners, on the other hand, valued profit maximization and wealth accumulation, often at the expense of rural subsistence. In the face of rising grain prices, peasants rioted to demand fair prices as opposed to market prices.

Thompson uses the notion of the "moral economy" to critique W. W. Rostow's mid-1940s analysis of poverty as a source of food riots.

Thompson argued that poverty and hunger are necessary, though insufficient, factors to explain these riots. Rather, hunger and the failure of those in possession of food to adequately respond to that hunger can, under some circumstances, initiate a response among the hungry that leads to collective action. For Thompson, the perception of social relations, exchanges, and the norms that govern those relationships are essential for understanding when collective violence occurs. In this way, Thompson illustrates the existence of a noncapitalist way of understanding exchange, or, in Polanyi's (1957) terms, how the economy is "embedded" in deeper social processes.

Thompson's essay informed James Scott's *The Moral Economy of the Peasant* (1977), which sought to understand the conditions under which peasants in Southeast Asia would rebel, as well as a litany of other works (Goodman 2004; Edelman 2005; Fassin 2005). Yet, as Edelman (2012: 63) has pointed out, the proliferation of the concept of "moral economies" has also resulted in it losing its analytical purchase: more recent uses of the concept have employed it to refer to purely "moralizing" or social aspects of life, as opposed to the relationship between customary understandings of justice and the underlying political and economic conditions that Thompson had in mind (see also Fassin 2009; Palomera and Vetta 2016). In this vein, and extending these criticisms further, Alexander, Brunn, and Koch (2018) have recently advocated for a use of "moral economies" that places at its heart questions about the state and governance. They ask, at a time when different legal and political frameworks govern interactions and relationships between public assets, goods, and citizens, what are the different moral economies that are at stake? Who gets to decide which moral economies are legitimate and should take precedence over others? And whose relationships, understandings of justice, and expectations of the common good are silenced in this process?

Building on these more recent uses of the term *moral economy*, we understand moral economic activity as being rooted in the mutual obligations that arise when people exchange with each other over the course of time, in turn building up debt and mutual dependencies (see Carrier 2018). We start from the assumption that there is no such thing as a unitary or single moral economy, but instead conflicting, overlapping, and sometimes mutually exclusive understandings at stake. Here we use the term *moral economy* to analyze a number of alternative economic and social systems that emerge outside of, in parallel with, in opposition to, or even in conjunction with mainstream capitalist market economies and governance frameworks. We want to do justice to the moral economy concept, and so we relate these alternative economies to global capitalist processes—specifically neoliberalism. We understand neoliberalism to be a radicalized form of capitalism, stemming from a utopian political project to enhance conditions for accumulation and restore power to economic elites (Harvey 2005). In the Americas, this has taken the form of free trade agreements, cuts in public expenditure, the sale (and closure) of public utilities, the privatization of publicly owned resources, and relaxed environmental and labor regulations. It is not that the state has retreated so much as it has been reconfigured with the strengthening of the state's ability to police disorder—specifically, the marginal urban masses who have been the victims of aggressive free market reforms (Wacquant 2014; Auyero and Sobering 2017). In Latin America, repression is often carried out in the name of the "war on drugs" or the "war on gangs" (Rodgers 2009; Müller 2015).

We know that economies, including capitalist economies, never operate according to a "pure" market logic of individual profit maximization—but rather always intersect with (dynamic) social, political, and cultural relations, including various conceptions of morality (Zaloom 2006; Graeber 2014). So why do we treat the drug trade as a special case? In the illegal economy, the same rules do not apply as in the legal economy. Drug trafficking organizations face the constant threat of defection, (sometimes) hostile communities, and pressure from government interdiction efforts. Illegal entrepreneurs cannot turn to the state to arbitrate a dispute, nor can they always resort to violence in order to solve problems; the costs would simply be too high. Most of the time, then, the drug trade is built on trust among myriad actors directly inside but also adjacent to the trade. Drawing inspiration from economic anthropologists going right back to the seminal work of Marcel Mauss (1990), we argue that this trust is rooted in reciprocal relationships—namely, debt and the expectation that debt will be paid back. The way these reciprocal relationships are structured—who is included and excluded, the sanctions for nonpayment, the expectations regarding time horizons and interest—are all rooted in localized conceptions of honor, pride, and what it means to be a good person (see Piot 1999: 52–75; Sanchez et al. 2017).

There is an emerging body of work that draws on the moral economy concept to understand the drug trade. Philippe Bourgois and Jeff Schonberg (2009) describe the webs of reciprocity and mutual obligation between homeless addicts, particularly in relation to the sharing of drugs as a way to buy favors, love, and loyalty on the streets of San Francisco (see also Bourgois 1998; Wakeman 2016). Meanwhile, Karandinos and colleagues

(2014) describe how, when viewed through a Maussian lens, street violence associated with the drug trade, which at first might appear to be mindless, brutish, and irrational, can be understood as part of a broader moral framework governing social life. From this perspective, violence is a resource that is used according to a deeper social logic that emphasizes loyalty and masculinity. Karandinos clearly illustrates how debts do not necessarily stick to an individual, but rather are extended to kin, friends, or even fellow gang members (see also Rodgers 2015; Koch 2017).

These writings invite us to move away from viewing the cocaine trade as simply a series of economic transactions and to consider how these exchanges are rooted in existing social relations but are also generative of new social orders. The importance of this work is that it exposes how processes of exchange tie people together into dense webs of reciprocity that extend across space and time. This is particularly important for the current study as it uncovers the basic social principles underlying the governance of the drug trade. Just like the gift exchanges analyzed by Marcel Mauss almost a hundred years ago, the ongoing exchange of drugs, coca leaf, precursor chemicals, money, and violent acts functions as a form of social contract, allowing the trade to endure in the shadow of the state. As such, we cannot measure these localized "exchanges" according to the standard liberal yardsticks. These exchange practices have their own logic, representing an alternative "moral economy" that can only be uncovered through in-depth qualitative fieldwork. The next section examines some of the theoretical implications of this approach.

A FRAMEWORK FOR UNDERSTANDING COCAINE'S MORAL ECONOMIES

By invoking the language of moral economies, we acknowledge the Marxist and anarchist roots of this concept. For Thompson, a Marxist historian, the moral economy explains why riots and rebellion against the encroaching capitalist order occurred in eighteenth-century England. His work explicitly critiqued what he saw as Rostow's overly deterministic and economic understanding of the connections between poverty and rebellion (Thompson 1971: 76–78). For James Scott, a political scientist with a complex relationship to both Marxism and anarchism, the moral economy of Southeast Asian peasants explains as much why rebellions occur as why they do not and, more precisely, why peasant rebellions are unlikely to transform easily into social revolutions. In both cases, economic exchanges are productive of self-regulating social relations. Wealthier peasants, landlords, bakers, and millers were expected to abide by norms that enabled poorer peasants to survive in difficult times, in part by allowing peasants to accept relatively lower incomes in times of plenty in exchange for support in times of need. The growth of the global capitalist market in England and, 150 years later, in Southeast Asia generated pressures on these arrangements that led to riots, uprisings, and revolts.

Much of the policy discussion of the drug trade today begins from neo-Weberian state-centric premises that seek to explain drug violence in the institutional context of failing states or poor state policy (see O'Donnell 1993; Snyder and Durán-Martínez 2009; Ungar 2011; Arias 2017; Durán-Martínez 2018). These works provide important insights that explain the outbreak and persistence of violence in some locales. But they miss the broader set of exchanges and relationships that underlie the drug trade, which not only help to explain the occurrence of violence and peace but offer a nuanced account of why the drug trade becomes embedded in some communities and not others, what effects the trade has on relationships within those communities, and how those communities change the drug trade.

In short, just as hunger only offers a partial explanation for why bread riots occur, state failure and institutional crises only offer a partial explanation of the drug trade, its local exchanges, and the violence, or lack thereof, associated with it. To understand the drug trade, we need to go beyond states and organizational conflict to perceive how the trade is tied to preexisting social relationships, exchanges, and norms, and how it transforms and is transformed by those relationships, exchanges, and norms in specific places on the value chain. This has four implications, two of which are derivative of the Marxist roots of this concept, another one from its anarchist ascendency, and a fourth that has implications for the direction of the Weberian frameworks that have dominated this debate.

First, consistent with the Marxist concept of historical materialism, commodity chains are economic phenomena that transform locales in their material form and social relations. The presence of the drug trade engages with and changes underlying social relations. Sitting on the margins of state protection, the drug trade has to operate in the context of social norms in order to derive protection from the state, but it also has the effect of transforming norms, relationships, and spaces through its contact with them (see Grisaffi, this volume; Rui, this volume).

Second, the drug trade is a site of social conflict through which individuals resolve differences over the norms of conduct within their community, the place of particular communities in licit and illicit international markets, and who benefits from the profits derived from those markets. While we do not see this violence as revolutionary, we believe it is critical to acknowledge Kalyvas's (2015) insight that criminal violence often is a substitute for social conflict in highly urban societies. We also take heed of Goldstein's (2004) argument that violence is, at least in part, related to how the poor position themselves as citizens and subjects in contemporary Latin American political systems (see Zellers-León, this volume).

Third, acknowledging the anarchist origins of this idea, as much as the drug trade is discussed in terms of violence and its pernicious effects on society and politics, much of the trade occurs peacefully under mechanisms of self-government at the margins of state power (Biondi 2014; Hirata and Grillo 2019). The dynamics of these governing norms and modes at different points of the commodity chain are essential to understanding the trade. Key in this are exchanges that take place largely outside of government oversight and the ways that those exchanges sustain the life of the poor and the illicit trade in contemporary Latin America (see Fontes, this volume). At the same time, it is important to recognize that these localized forms of governance in a transnational trade also articulate with the state at various points, generating layered forms of governance of social and criminal norms that govern relationships in the context of imperfect state power (see Denyer Willis 2015; Le Cour Grandmaison, this volume)

Fourth, these dynamics have implications for Weberian approaches to drug violence. While drug policy debates are often driven by state-centric neo-Weberian analyses, much of the emerging scholarly discussion on the drug trade adopts a post-Weberian perspective at least partially rooted in Kalyvas's (2006) writing on the micro-dynamics of civil conflicts. From this perspective, the drug trade and its attendant violence is seen as emerging from interactions between the state and multiple criminal organizations. The particular postures adopted by the state and these organizations as they contend with one another for control of the illicit trade generates the violent dynamics (Snyder and Durán-Martínez 2009; Lessing 2017; Durán-Martínez 2018; Lessing and Willis 2019).

The moral economy points to normative drivers of behavior around illicit markets and institutional decision making by both state operatives and criminal leaders (see, for example, Arias and Rodrigues 2006). Gang leaders make their decisions within a future-oriented framework, in which they plan to have relations with state officials, with other criminal organizations, or with the communities that they operate in, and these expectations shape and regulate their behavior. Knowledge of these frameworks is critical to understanding interactions among criminal groups, state, and society and the movement of goods through the illicit value chain (see Idler, this volume). Finally, expectations among various parties in different instantiations of the value chain also affect the governance dynamics, as criminals, state actors, and society draw on these shared assumptions to exercise governance amid cocaine's economies.

These insights open up new ways to understand the cocaine trade and respond to its more pernicious effects. Tackling the violence associated with the drug trade necessarily involves more than putting down an uprising or even just addressing demand for drugs and addiction. It means focusing on the imperfections of the insertion of many Latin Americans into the global capitalist economy, their reliance on informal social networks for survival, how the drug trade and other forms of crime in part survive on and emerge from those very same networks, and the failure of the contemporary political and economic systems to deliver on their promise of inclusion. These broader imperfections in the economy at large point to the limitations of drug legalization in addressing the greatest challenges Latin Americans face, and the ways in which the key drivers of crime may have little to do with the juridical status of narcotics per se (see Bergman 2018). The next section takes up these issues empirically by examining how cocaine affects local social dynamics in areas that intersect with its supply chain.

COMMODITY PRODUCTION AND THE FORMATION OF SOCIAL ORDERS

For years, the logic of global prohibition has dominated the debate on drug policy. In this narrative, illicit narcotics are a source of disorder that contributes directly to violence, organized crime, urban blight, poor health outcomes, and a shorter life. In the context of the Global South, the power of drug trafficking organizations is used to highlight the putative weakness of the state. The solution to these problems is often more repression and, of course, transfers of largely military and police aid from the Global North to drug-producing and transshipping countries in Latin America and the Caribbean. In the end, narcotics become a consumable artifact that moves among largely disconnected and autonomous locales where they cause

FIGURE I.2 The urban margins of Medellín, Colombia.

physical harm and enrich only a few. This narrative, of course, misses central issues in the nature of how the drug trade operates and interacts across different societies. Most critically, narcotics are deeply embedded in particular local social interactions and, just like the sugar supply chain, their movement is at once rooted in the existing social order, but also generative of new social orders, economic opportunities, and political structures.

At its source in the foothills of the Andes, poor farmers rely on this illegal harvest in order to survive. Those who do well invest the proceeds into small businesses but also social relations, for instance by becoming sponsors of community fiestas, school football teams, or the local church (Grisaffi, this volume). Meanwhile the trafficking of illicit goods provides important economic opportunities for the poor and working classes in urban peripheries in Latin America (see Feltran 2019; Fontes, Rodgers, this volume) (see figure I.2) and the United States (Bourgois et al., this volume) and has made an important contribution to the creation of wider cultural life (Sneed 2008; Oosterbaan 2009; Jaffe 2012). Underpaid and poorly professionalized state actors often seek to capture rents within the drug trade to supplement relatively meager salaries (Arias 2006). Finally, social and political elites seeking their own enrichment become involved in these economic exchanges (Gillies 2018; Bobea and Veeser, this volume). As a result of these complex interactions, relationships, and (economic) dependencies, local drug trades are remarkably resilient and government agents may have little interest in effectively combating illicit trade even though its agents might publicly call for such action.

Academic research points to the importance of illicit processes in the construction of broader licit and illicit lifeworlds (Gambetta 1996; Varese 2001; Holston 2008; Koster and Smart 2019). The illicit lifeworld is not necessarily violent, nor is it simply something outside the law. Rather, illicit activity generates a host of formally unregulated interactions that often interface with otherwise legal relationships, generating at times sustainable social dynamics that governments may find difficult to repress (see Roitman 2006; Muehlmann 2013). Indeed, many operating in and around the drug trade are not themselves illegal entrepreneurs. For example, owners of a bar where cocaine users stop for a drink before or after buying drugs have a connection to the illicit economy. And many involved directly in illegal activity may not think of themselves primarily as criminals when, for example, they transport precursor chemicals to friends and relatives who they know process cocaine. Still, all of these people are affected by and bear witness to the economies and dangers of the drug trade they live amid.

None of this should be taken to mean that crime weakens the state. Rather, crime can be productive of state power just as it can be productive of a host of other social relationships (Jaffe 2013; Sanchez 2016; Michelutti et al. 2018). Research has described how in Latin America's poor neighborhoods, municipalities, and regions, where the state has an uneven presence, drug gangs operate neighborhood-level administrative regimes, oftentimes in collaboration with state actors (see Arias 2017; Le Cour Grandmaison, this volume). To give but one example, during the coronavirus pandemic, drug traffickers in Rio de Janeiro's favelas imposed curfews and limited social gatherings to a maximum of two people (Barretto and Phillips 2020).

Sophisticated policy discussions of the drug trade can only occur in the context of a nuanced understanding of drug commodity chains and what they achieve. Narcotics are not merely legal artifacts or poisons that destroy communities and political entities. Rather, they are commodities that emerge from human labor and are moved across vast regional and global supply chains. This process includes agricultural production, various stages of manufacture, financing and insurance, transportation and its attendant support operations, transshipment and storage, cross-border smuggling, distribution and wholesaling, packaging, retail sale, and final consumption. At each of these stages, complex social, economic, and political relations emerge that sustain but also depend on the trade. These activities result in systems of order, forms of economic sustenance, capital accumulation, secondary investment, and of course violence.

If we view the cocaine trade as generative of social and economic orders, then we can also understand that any alteration in the commodity chain will have widespread impacts. It will affect not just the drug gangs, but also the police and politicians who take bribes, the family members of dealers who depend on the trade for their income, or store owners and taxi drivers in towns where coca is grown. This has implications for the drug policy debate. Different repressive policies may remove particular actors from the drug trade but leave in place a local economic ecology that favors the emergence of new criminal actors to take their place in local economic exchanges and in the wider commodity chain. Alternatively, major shifts toward legalization might encounter real barriers among parties interested in perpetuating the illicit trade for either political or monetary gain. More critically, a move toward legalization could result in a cascade of destabilizing effects across a broad swath of communities in the Western Hemisphere whose populations face a variety of urgent social and economic challenges.

ADVANCING A SYSTEMATIC UNDERSTANDING OF COCAINE COMMODITY CHAINS

Laid out on the maps contained in the UNODC's *World Drugs Report*, the cocaine commodity chain appears like a smooth set of arrows flowing from production to consumption sites (see map I.1). The reality, of course, is far more complex. As drugs move from crop-producing regions to consumption sites, it passes through various transit corridors, often with stopovers at transshipment sites, to wholesalers and retail distributors before they arrive in the hands of consumers. Thus, to understand the implications of an illicit commodity chain across different sites, it is critical to be specific about the nature of different locales of commodity chain activities, the way they link together, and the particular issues experienced in each locale. This section lays out components of this analytical lens.

The value of cocaine changes dramatically as it moves from the places where it is produced to the market, increasing in value by as much as 1,000 percent. This shifting value chain reflects a great deal of unevenness, with rewards usually flowing to the individuals and organizations that control the movement of the product through the riskiest sections of the supply chain. Thus, as in many other types of business, the distributor, not the manufacturer, is the one who achieves the highest margins. Understanding the basic framework of the cocaine commodity chain involves perceiving not just the type of activity that occurs in a particular place, but also the relative and absolute value of that work.

Cocaine starts life as coca leaf, a shrub that is cultivated in the foothills of the Andes. In coca-growing regions of Bolivia, Peru, and Colombia, cocaine is relatively cheap; a kilo of unrefined cocaine paste can cost as little as US$900 in Peru's VRAEM coca grower region, and production is labor intensive. Thus, the coca/cocaine economy involves a large swath of the population, is widely tolerated, and is only minimally hidden from view. This is very different from the cocaine economy in the US, where the stakes are higher, fewer people are involved, and its activities are clandestine. A critical analysis of the commodity chain, thus, has to focus on the sites of value shift and how those inflection points, which are sites of intense and valuable labor, generate an array of different local outcomes.

Communication and control also affect the commodity chain. The nature of how these spaces are connected together by physical movement and organizations affects how the commodity chain alters a place. In some cases, large portions of the resources are siphoned away from particular places by powerful organizations based elsewhere. In other cases, local groups control a particular portion of the supply chain. Here we could look at coca production in Bolivia. In the early 1980s, Colombian cartels bought up Bolivian coca leaf and transported it to Colombia, where it was processed into cocaine paste. It was only later that Bolivian peasants learned how to process drugs and were then able to keep more of the profits. This was good business for the Colombian cartels because it reduced their transport costs and Bolivian labor was comparatively very cheap. Building on these observations, we argue that in order to understand how the commodity chain produces a lifeworld in a particular locale, we need to take into consideration several factors:

1. *The nature of the illicit market:* The number of market actors and how those market actors tend to do business has an impact on the nature of competition in those spaces and the interrelationship between different participants in the illicit marketplace (Arias 2017). The nature of the illicit market points to important issues such as how many people earn their living in the market, what ability illicit laborers have to demand high wages, and the extent to which local organizations work among themselves and with

other actors to regulate the nature of illicit commerce. This in turn has effects on a host of other activities. In places that require a high degree of skill or risk tolerance, there will often be a smaller pool of available laborers and capitalists relative to the population. As the pool of available workers becomes relatively more concentrated, this will affect the nature of the local market and its relationship to the wider population. In some cases, there may be a broad popular involvement in the market, whereas in other places the actual market operators may be limited and highly specialized. Each of these dynamics will express itself in the local life-world in different ways in terms of how an array of goods are demanded and exchanged in those spaces.

2 *The degree of illicit capital accumulation:* The extent to which illicit capital accrues in a particular place is critical to the way that the illicit commodity chain affects that place. As illicit entrepreneurs accumulate resources, they can then spend those funds on a host of activities. Some of this might involve further developing their business, but their activities will likely also cross over into legal activities as they seek to launder money and diversify. Some of these resources support political, social, and artistic activities. The nature and level of this type of capital accumulation are essential for understanding how particular places are affected by the commodity chain.

3 *The relative weight of the illicit market in the broader local economy:* In places where the illicit economy plays a relatively larger role, it will have greater collateral effects on everyday life and shape the broader local economy. The problem of Dutch disease, in which the influx of foreign currency from the cocaine trade overvalues the local currency and atrophies other economic activities, offers an excellent example of this type of effect (on Dutch disease, see Thoumi 2003).

4 *The interaction between the illicit commodity chain and licit authority:* Multiple systems of legitimate authority operate in a specific locale and may have varying relationships to the illicit market. In some cases, powerful religious figures or effective and respected government officials may find ways of limiting the impacts of the trade in a particular place. In other locales, political, civic, and cultural leaders may become implicated in the trade, which may deepen and shape their influence in particular ways. Some portions of the trade may occur in spaces relatively distant from state power. Depending on other factors, these legitimate authority structures may have relatively more or less authority over the illicit trade. In some cases, these actors may be direct market participants and in others they may work for market leaders.

ILLICIT SUPPLY CHAIN ROLES AND MORAL ECONOMIES

We can use variations across these four categories of activity to understand the nature of the moral economies of the cocaine trade in different places along the commodity chain. What follows is a general description of commodity chain conditions where different operations take place, how this intersects with licit and illicit governance, and the implications of this for the moral economy of exchanges in locales where these conditions predominate and within the commodity chain as a whole.

For the sake of parsimony, this section will take up three key operations in the commodity chain: growing and processing, transshipment and smuggling, and distribution and consumption. This classification, however, should not be read as inherently discrete or deterministic of moral economies. Different operations in the cocaine trade do not always take place in isolation. Indeed, they often occur in the same space, even while one activity predominates. For example, Putumayo, Colombia, may be a center for coca cultivation, but there are also consumers in the region, and drugs are stored and shipped out. Similarly, the effects are not deterministic but rather are socially embedded and probabilistic. Suppliers, dealers, and consumers often buy, sell, and transport other licit and illicit drugs. Perhaps most importantly, the ways these types of conditions come together in particular locales and their particular mixture shape local moral economies in interactions with various other social, political, and economic factors that operate in those locales. Thus, cocaine production, like other types of economic activity, contributes to multiple complex local dynamics, helping to shape moral economies in varied ways, but is not singularly determinative of them.

Coca Growing and Processing Areas

There are two main activities at the agro-industrial stage of the cocaine trade: coca growing and processing leaves into cocaine paste. Coca leaf production is labor intensive, requiring many workers and vast expanses of land;[3] hence, these activities remain in peasant hands. In Peru, Colombia, and Bolivia (the three main coca-growing countries), coca cultivation is typically concentrated in marginal areas, characterized by limited state presence, inadequate infrastructure, and high rates of poverty. In this context, coca complements subsistence farming and, in the absence of other income-generating activities, is one of the few pursuits that provide farmers with access to cash income (Grisaffi and Ledebur 2016: 9).

The first stage of cocaine production is a relatively simple process that takes place in small workshops located close to the coca fields or in urban peripheries. Drug workers labor in rudimentary operations to soak shredded coca leaf in solvents to extract the cocaine alkaloid. Processing cocaine paste can be mastered without formal training. The *quimico* (chemist), a mid-level technician usually drawn from among local farmers, oversees this procedure. Cocaine paste production supports a broad range of jobs. These include smuggling precursor chemicals, processing leaves, and transporting cocaine base paste to secondary processing locations for producing purified cocaine hydrochloride. The drug workers also require lookouts, cooks, and coca leaf suppliers.

The second stage, refining of paste into pure cocaine, takes place in laboratories that are more capital intensive—in Bolivia it can cost from $150,000 to $300,000 depending on the size of the operation. This stage of processing requires industrial chemicals that are difficult to acquire,[4] a workforce of up to thirty people, and the refineries that are often protected by armed guards. The process is more complex, requiring a higher level of training; as such the chemists are in demand and might travel internationally for work opportunities. For instance, many of the chemists in charge of refining cocaine in Bolivia come from Colombia.

Coca growing and cocaine production produce dynamics that can shape local moral economies in particular ways. The industry supports a large number of people who occupy relatively low-skilled positions in the drug trade. The trade has a modest though substantial effect on the economies of these countries,[5] but the large number of workers at this stage of the process means that there is often relatively little capital accumulation (see figure I.3). These diffuse earnings do little to generate sizable new industries and businesses since most of the income from coca sits at other places in the commodity chain.[6] Still, the infusion of funds can help to stabilize families' livelihoods, keep a greater portion of the population in rural areas, and can support some existing small businesses, such as the moto-taxis that Zellers-León discusses in her chapter (this volume).

While production generates particular economic dynamics, these become inserted into particular national and local contexts, yielding different and varied moral economies. In Colombia, for example, coca production occurs in a highly repressive and violent environment. These conditions contribute to substantial collective action problems, where agricultural workers use personal networks to carefully and, often at great cost, support collective endeavors in difficult circumstances (see Ramirez 2011; Idler, this

FIGURE I.3 A village in the VRAEM coca-growing region of Peru.

volume). The moral economy under these circumstances is characterized by insularity among a tightly knit population that could be subject to violence by various armed actors, often based elsewhere, that use force to accumulate some of the capital that accrues at this stage of production (see Durand Guevara 2007; Kernaghan 2009; Ramirez 2011). Lacking substantial capital accumulation, these areas are often characterized by survival-based exchanges among family members and close friends (Vellinga 2007). The story, however, is quite different in Bolivia, where, since 2006, strong agricultural unions allied to the state control the coca trade and have pressured the government to legalize coca cultivation in specific areas (Grisaffi 2019). While the local drug trade is firmly rooted in kinship networks, there is more space for collective action and greater capital accumulation among agricultural workers (see Grisaffi, this volume). Thus, the conditions in the supply chain generate dynamics that have varied effects in localities that have different social, political, and economic conditions.

Transshipment Areas

The principal activities of cocaine transshipment areas involve storing and smuggling goods. These activities require the most complex skills of any of the activities in the cocaine commodity chain. Getting drugs across borders leads to schemes that involve secreting goods in shipping containers and altering electronic records, building kilometer-long transit tunnels (Graham 2011), using submarines to cross maritime frontiers (Woody 2016), and skillful low-altitude airplane flying (Marosi 2011), to say nothing of administering large fleets of airplanes and networks of airfields (Woody 2016). Moreover, the substantial skills required for this labor mean that at least a portion of those involved make substantial profits, although major dealers may also develop low-skilled enforcement networks (see, for example, Gay, this volume, and Fontes, this volume).

The expertise required to bring drugs across international borders enables powerful traffickers to accumulate a large portion of the wealth associated with the trade (Vellinga 2007). This can lead to competition between trafficking organizations. State officials may be complicit but may have less tolerance for elevated violence. As a result, they may seek to resolve drug conflicts, leading to markets characterized by a few participants. But this is not always the case. Clawson and Lee (1996) describe how in the 1980s Colombia's Medellín Cartel advanced financing and provided insurance against cargo loss to smaller-scale traffickers to ensure wider participation in that city's cocaine market and, thus, to deflect some attention from their own activities.

Transshipment markets tend to have a few large market participants who then employ a modest number of workers at different skill levels. While a great deal of attention falls on drug gang members, these workers make up a fairly small though highly visible portion of the population of cities like Kingston, Cali, or Tijuana. Since the trafficking endeavor at this stage requires resources and expertise, these actors are employed by major criminal enterprises led by a few powerful individuals. Due to the illicit nature of this stage of the commodity chain, there are relatively few legal norms that delimit practices, leading, on occasion, to atrocities (Durán-Martínez 2015). The nature of these risks contributes to efforts to establish dominance over a market either through an agreement among a few powerful market participants or through outright dominance by a single participant.

The substantial earnings coupled with the relatively small number of market participants leads to significant capital accumulation that can enable illicit entrepreneurs to start or take over licit businesses (see McSweeney et al. 2018; Le Cour Grandmaison, this volume). These actors may take control of large portions of the licit economy and even, as a result of Dutch disease and insecurity, limit the growth of the economy as a whole. Due to the necessity of a transportation network, much of the transshipment tends to occur in places where there is some state presence, and state officials are often involved in the trade (Morrison 1997; Ellis 2009: 183). As a result, law enforcement operates at least sporadically, and public services are available to the population due to the networked nature of the places where many of these activities take place.

The significant capital accumulation opportunities associated with this phase of the cocaine trade contribute to very different conditions as they interact with particular local dynamics. The activities of the Medellín and Cali cartels in the 1980s and 1990s reflect how particular criminal structures using their accumulated capital generate very different local conditions, with the Medellín group confronting the state (Lessing 2017) in a bloody terror campaign, whereas the Cali organization sought to accommodate the state and quietly maintain order in their areas of operation. In Mexico, considerable amounts of the resources associated with the drug trade historically flowed to politicians associated with the Partido Revolucionario Institucional (PRI), who maintained their own protection rackets, yielding relative calm in Mexico for many years. The transition to competitive elections in Mexico contributed to the breakdown of these structures, and traffickers, taking advantage of the capital available to them, have over the past two decades engaged in a long-term conflict over that country's drug trafficking plazas (Dell 2015; Rios 2015; Trejo and Ley 2018). The Caribbean, another key transshipment hub, tells a third story. Here gangs have typically shipped drugs abroad in small parcels, often on airplanes or fast boats. Gang leaders have greatly enriched themselves generating patronage networks and also have sought the protection of political figures. Lacking the immense profits associated with controlling trafficking networks, as was the case in Mexico and Colombia, Caribbean traffickers have more limited capital, political power, and patronage structures.

Distribution and Consumption Sites

Markets focused on distribution and retail sales are broad, diverse, and, in general, characterized by low skills and intense competition. Once drugs have crossed the principal international frontier into a major consumption market in North America, Europe, some major Latin American cities, or Asia, internal distribution and sales are relatively straightforward. A worker can move drugs around in the trunk of a car rather than hidden in a submarine or airplane. Successful retail sales can, of course, involve some skill, but not necessarily more so than any other type of retail work. Certainly, working in this environment requires less formal training than many similar jobs in the licit economy (see Bobea and Veeser, this volume; Bourgois et al., this volume). The relatively low skill levels also mean that there are substantial opportunities for market competition. In a broad and vibrant retail market it is difficult for individual firms, mafias, or gangs to gain control of large sectors of the market; barriers to entering the market are low, and thus the ability to consolidate power in the market is attenuated. In a wealthy economy, cocaine also has to compete with numerous other drugs for market share. As a result, there is a great deal of competition that has the effect of controlling prices even as law enforcement buoys them. Thus, while market participants can make substantial profits, those profits end up diffused across many market participants. The result is, often, a low level of capital accumulation and some dealers risking their lives and freedom but living in impoverished conditions (Levitt and Venkatesh 2000).

For all the income generated by the drug trade in consuming countries, amid the size of the economy of London, Paris, New York, or Buenos Aires, the trade has only a limited impact on the broader economy of the city or country. Given this and the limited capital accumulation of those involved in the trade, the cocaine commodity chain has relatively limited impacts on the wider economy and society in these places. That said, within certain circumscribed neighborhoods and communities, drug-related income is often an important tool for survival (see Bourgois et al., this volume, Bobea and Veeser, this volume).

In the vast majority of cases, major consumer markets operate in spaces where there exists a high degree of state presence. Elevated cocaine consumption is driven by a broad and deep consumer culture that depends on an active state presence that provides policing, social regulation, good schools to promote human capital formation, and investment in infrastructure for businesses to support economic growth. Substantial levels of state enforcement and broader economic opportunities have the concomitant effect of keeping the market divided.

In these cases, highly divided and poorly resourced criminal groups have little expression outside of the often impoverished neighborhoods where they operate. In these spaces, drug dealing can fit into family survival strategies and exchanges among broader kin and friendship networks. At the same time, they have little wider impact outside of these networks, and there are few expectations of gang leaders in comparison with those who operate in other spaces in the drug commodity chain. The experience of

Philippe Bourgois's (1995) drug dealers in East Harlem in the 1980s reflects this condition. The strong presence of the state and the highly divided nature of illicit trades cause the trade's impacts on governance to be highly localized and limited, even as it may have robust effects in particular communities.

The moral economies of drug consumption sites are fragmented. On the one hand, it builds on survival exchanges within the poor communities that often warehouse drugs and provides a site for the more organized criminal activities needed to administer the trade. Here some limited patronage relations may operate, but, at the same time, lacking significant capital accumulation, there is little expectation that the drug trade will support broader development of the economy or culture. Individuals operating around the drug trade in these sites are often expected to provide a modicum of security and limited norm enforcement in exchange for silence from neighborhood residents facing police questioning. Lacking capital accumulation and operating amid larger licit economies, people living and working in consumption sites often do not have the relative resources necessary to overcome barriers to collective action, preventing the establishment of robust social norms. Consumers may also develop their own moral economy based on reciprocity and knowledge sharing, though these effects are quite limited, since resources flow up the supply chain from this group and, as consumers rather than laborers, most spend their time largely outside the drug supply chain. Table 1.1 comparatively outlines these categories.

As with different other phases of the cocaine trade, the fragmented dynamics of consumption sites only manifest themselves in the context of local social, economic, and political dynamics. In São Paulo, as Taniele Rui's chapter in this volume shows, the Primeiro Comando da Capital, a powerful criminal organization in that city that emerged out of violence in the state prison system, manages the varied drug-consumption markets across the city, supporting local norms of behavior among drug consumers and forcing disruptive addicts to consume drugs in central areas of town away from residential neighborhoods. In the northeastern United States, on the other hand, the consumption marketplace is much more fragmented, dominated by competing gangs and small-scale criminal networks. Bourgois and colleagues (this volume) show how the complex normative exchanges in consumption sites are negotiated among gangs, often through the mediation of respected older illicit market participants. Thus, consumption markets have complex norms of exchange and patronage

TABLE I.1 Comparing Sites in the Cocaine Value Chain

	ACTIVITY	MARKET STRUCTURE	CAPITAL ACCUMULATION	ILLICIT PORTION OF ECONOMY	POLITICAL CLIMATE	GOVERNANCE AND MORAL EXCHANGE
Production	Mid-level skill: farming/processing cocaine paste	High levels of participation	Low	Large	Limited state presence	Significant exchanges among narrow, geographically isolated population facing significant collective action problems
Transshipment	Smuggling of various types usually requires substantial skill; high-skill labor	Usually oligopolistic or monopolistic	Often high	Wide variation	Mixed state presence, at times with high levels of corruption	Widespread patronage exchanges from wealthy drug traffickers to connected portions of the population
Consumption	Minimal end shipment, marketing, retailing; low skill	Competitive	Moderate capital presence but low accumulation	Small	Significant state presence, mixed levels of corruption	Limited survival exchanges within impoverished urban communities; little ability to overcome collective action problems

that support retail sales and drug use, but those dynamics are driven by local conditions specific to particular cities.

OVERVIEW OF THE BOOK

Building on this integrated notion of the international drug trade, combined with firsthand insights, the chapters presented here examine the nature of both licit and illicit processes of governance at different places along the drug production chain. We asked contributors to discuss their particular cases across a specific set of issues that define governance of the illicit trade; these include: understanding criminal market dynamics; analyzing illicit market dispute resolution strategies; discussing product and quality regulations; understanding illicit capital accumulation and its impacts on the commodity chain; and, finally, analyzing contacts between the illicit market and legitimate state and social sectors. Methodologically, all of our chapters are based on extended qualitative or archival research. The authors of these chapters have conducted extended locally embedded research based on nuanced and in-depth interviews or, in one case, archival analysis. Here we provide a brief overview of each chapter.

Thomas Grisaffi's chapter analyzes the moral economy of coca cultivation and drug processing in Bolivia. Grisaffi explains that the coca leaf has myriad traditional uses in indigenous Andean culture, but the bulk of the local crop ends up in the maceration pit to be transformed into cocaine. This chapter illustrates how cocaine paste production is organized around closed kinship networks that help to regulate the trade and that build the trust to advance this industry. The market for coca leaf generates high levels of employment in production and smuggling, and the cocaine dollars trickle down to support a large informal sector, strengthening these family ties and contributing to local economic development and consumption. Grisaffi argues that, as a result of the presence of the strong agricultural unions that have had close connections to the state that protected coca grower interests, since 2006 the Chapare has not experienced the kind of chaos, violence, and disorder witnessed at other sites along cocaine's commodity chain.

Annette Idler's chapter considers how Colombian coca farmers are articulated into the larger cocaine commodity chain. Idler analyzes the "moral borderland economy" that emerges in regions where illicit cross-border flows and the logics of armed conflict converge. These are dangerous spaces where, despite high levels of mistrust, different actors, including peasant coca farmers, non-state armed groups from rebels to paramilitaries, and entrepreneurs, have to work together to turn a profit. In this context, brokers are important figures who facilitate exchanges and in so doing link up the nodes of the commodity chain. This chapter emphasizes the essential role of self-regulation in these markets. But, as Idler points out, not all brokers are to be trusted, presenting danger and confusion for those at the lowest rungs of the trade. These spaces also become centers of counter-state organizing by guerrilla groups that seek to profit from and administer the trade. These organizations are empowered by the economics of the drug trade and also seek to govern elements of the trade. Thus, the economies of the drug trade produce organizations that both compete with the state and govern elements of the trade. Idler argues that it is essential for policy makers to understand how these exchanges of drugs, coca, and precursor chemicals function if they are to develop successful strategies to minimize danger for those in harm's way.

Autumn Zellers-León's account draws out the clash of two opposing economic worlds—one premised on subsistence crops, tradition, and mutual dependence on the one hand, and the perceived corrupting and individualizing impacts of coca cultivation on the other. This chapter focuses on how the coca supply chain, as it operates in Cauca, Colombia, generates resources that allow young people to acquire consumer goods, including motorcycles, which transform their communities and social and economic opportunities. These motorcycles and the coca economy more generally, however, also produce intense moral debate within the Nasa indigenous community regarding the "cultural" loss some local leaders believe the coca market generates. Amid these debates, social relations change, with motorcycle owners being viewed as local "big shots" and growing in standing in the community. For others, though, involvement in drug crop production is seen as a source of shame and potential danger, made visible through the proliferation of undocumented, and hence illegal, motorbikes. According to Zellers-León, the moralizing language surrounding coca cultivation is disempowering as it distracts attention from real material issues, namely the dire need for land reform and state investment in long-neglected rural areas. Finally, Zellers-León shows the importance of close-knit networks in evading state repression and how these operate in coca growing zones.

Robert Gay's chapter bridges smuggling and local retail and consumption of drugs in Brazil. He narrates the story of Bruno, an ex-corporal in the Brazilian navy who, while stationed on the border with Bolivia, became a large-scale drug trafficker. Bruno's involvement in the illicit trade deepens once he is sent to prison in Rio, where he becomes involved in the Comando Vermelho, one of Rio's most powerful drug gangs. Now in retirement, the drug trade continues to haunt Bruno, as debts accrued through a lifetime of illicit activity catch up with him. Gay's chapter illuminates how the drug trade, with its infusion of cash, changes Brazil's frontier, its prisons, and its shantytowns. The chapter also reflects on how norms play out in the Brazilian drug trade, examining how customs of behavior can contribute to success or failure in the drug market and expectations of conduct in prison life. Finally, Gay's chapter highlights how organized prison gangs influence the Brazilian drug trade and control populations. The chapter makes clear the ways that gang affiliation, concepts of honor, and the expectations of reciprocity structure the illicit trade.

Anthony Fontes then takes us to Guatemala, following cocaine as it travels north from the border with Honduras to an inner-city neighborhood in Guatemala City and finally to prison. Our guides for this journey are Trompas and Juanga, young men from poor neighborhoods who had few options but to engage in the illicit trade. The chapter shows how, as the cocaine snakes its away across the country, it articulates with and (re)orders local social worlds for good and bad. The chapter makes clear how infusions of cash from the drug trade support small towns in Guatemala, though much of the capital is accumulated by powerful individuals and gangs that control the trade. Ultimately the winners are those at the top, the big fish, the politicians and generals, but even for those caught at the lowest rungs, the trade still provides employment and an opportunity to earn, at the very least, a dignified living in a space of restricted opportunity. The moral economy emerges throughout the text as reciprocal exchanges—of jobs, support, and cash—tie people together into dense networks of debt and dependency.

Further north, we arrive in Mexico, where Romain Le Cour Grandmaison focuses on the role of the Caballeros Templarios (Knights Templar), a drug trafficking organization, and the hegemonic power they exerted in the state of Michoacán. Le Cour Grandmaison argues that strong men or "caciques" have long held sway in Mexico's rural hinterland, distributing state resources in exchange for loyalty, votes, and obedience. However, with the arrival of cocaine in the mid-1990s, these established relationships of patronage broke down, as criminal actors now had sufficient economic resources to work autonomously from the state. Those who control drugs, like the Knights Templar, are able to redefine local political authority to the extent that they position themselves above the state, making them the de facto regional authorities—controlling the local economy, government, and population. Le Cour Grandmaison intersects with the moral economy debate by arguing that drugs are disruptive in that they can force a break in reciprocity, in this case between the state and society. In so doing, they restructure sociopolitical relationships. This chapter further reveals the deep entanglement between drug trafficking organizations and the state as these groups seek to oversee municipal budgets.

Informed by Bourdieu's writings on cultural capital, Dennis Rodgers's chapter focuses on the tangible and intangible capital developed through engagement in the drug trade. Rodgers recounts the life stories of Bismarck and Milton, both former drug dealers who live in a poor neighborhood in Managua, the capital city of Nicaragua. He explains how these entrepreneurial individuals used capital accumulated in the drug trade to invest in a range of legal business ventures—including kiosks, real estate, and a tortilla business—using those resources to, at least for a time, change how other sectors of the economy operate. It is not just the economic capital that transfers to the licit realm, but embodied knowledge too. This includes a "just-in-time" tortilla delivery service modeled on a previous drug supply system and the use of violence and intimidation to ensure prompt rental payments. More broadly, Rodgers's account highlights the challenge of turning drug profits into long-term sustainable and sometimes legal business ventures.

Like Brazil, Puerto Rico is both a drug transshipment point and a site of consumption. Lillian Bobea and Cyrus Veeser's chapter examines the informal governance of the illicit cocaine trade, and how it structures everyday life in San Juan's poorest neighborhoods, the principal sites of retail drug dealing and consumption in that city. Bobea and Veeser show how the drug gangs build alliances with local communities, investing in amenities and administering justice, making inhabitants less dependent on the police. But this "protection" comes at a cost. Here communities must side with the gangs and purposefully exclude the state. The trade has economic multiplier effects, infusing the local economy of poor neighborhoods with resources that would not otherwise be available, promoting exchanges that establish and reinforce local norms associated with the drug trade. Some of these resources line the pockets of police and politicians, helping to implicate the state in the trade and changing the institutional implementation of social norms in particular communities and on the island more generally. But, in an age of economic crisis and political uncertainty, this established order and relative stability is starting to break down. Increasing numbers of people, mostly young men, are seeking out opportunities in the illicit trade, which concomitantly raises the competition, violence, and breakdown in the prior moral economy.

With cocaine's "shift south," drug use has expanded dramatically in Brazil. Taniele Rui analyzes the emerging "crack epidemic" in Rio de Janeiro and São Paulo. Based on long-term participant observation and interviews, Rui demonstrates how drug gangs govern marginal spaces and the impact that this has on the distribution of drug users and the development of the so-called cracklands, drug consumer hot spots. The influx of markets reconfigures urban space, setting up new sets of norms and expectations of how people will behave in different urban spaces. In São Paulo, drug use is highly visible, taking place openly on the street; meanwhile, in Rio de Janeiro, problematic crack consumption is mostly restricted to the favelas. Rui traces this spatial configuration to the specific criminal histories of each city and their respective moral economies, which impact on the way these organizations have managed the drug trade. The criminal gangs that operate in each city, as they interact with state and society, seek to maintain certain norms to avoid state repression and popular rejection. She suggests that the state's repressive policing tends to displace drug users rather than dealing with the drug consumption. Moreover, locking up users might actually worsen the drug problem by providing the criminal organizations with thousands of new recruits.

We now arrive at the mainland United States, to examine the moral economy of street dealing in Philadelphia. Philippe Bourgois, Laurie Kain Hart, George Karandinos, and Fernando Montero draw on six years of ethnographic fieldwork to tell the story of brothers Tito and Leo, Puerto Rican youth who are chasing their "American dream" to become "bichotes" (big shots), which ends with both in prison. Bourgois and colleagues lay out the structure of the local drug trade, including the attributes of a successful worker, upward mobility within the illicit business, the territorial control of the "corner," and the frequent deployment of lethal violence. The authors are careful to stress that the high levels of interpersonal violence observed on the street are shaped by the structural or everyday violence of poverty, racism, police repression, and "chronic incarceration," something that the drug dealers themselves are acutely aware of. This chapter intersects with the moral economy debate by showing how the drug trade is structured around kinship relations and survival strategies, and is framed by concepts of hypermasculinity. The chapter in particular shows how relationships evolve between dealers and the communities where they operate amid the dynamics of entrenched poverty driven by neoliberal policies that privilege accumulation by the wealthy and corporations and the repressive policing and mass incarceration policies pursued in the United States and some other countries to maintain order amid rising inequality. Cocaine dealing, in this context, is not just an important survival strategy for some households, but is a commodity around which some young people seek to build their social standing in a world where there are few social or professional options open to them that can help them advance and achieve even modest prominence by legitimate means.

The final substantive chapter is by Paul Gootenberg, a historian who traces out future changes in the cocaine commodity chain. Gootenberg explains the cocaine commodity chain's "shift south" away from the US market, which is fast becoming a "pot nation," not to mention the growing legal opiate crisis, toward emerging markets and transshipment poles like Brazil. Not only have consumer markets moved in a southerly direction, but production sites have too. Gootenberg highlights how Peru has emerged as an epicenter of illicit cocaine production and Bolivia is now a transshipment country as cheaper Peruvian cocaine paste flows east toward established and emerging markets in Europe and Asia. The pivot south in the larger drug commodity chain has implications for drug politics. As US influence has waned in the region, and cocaine has become an increasingly obsolete target for US policy makers, Andean states have taken up the reins, putting forth a diversity of governing responses. This ranges from Colombia's triumphant "state-building quest" for "post–drug war" control and Bolivia's "nationalist indigenous" drug control strategy, to Peru's "cocaine denial." More broadly, this chapter highlights how commodity chains are never stable, and when they shift a cascade of opportunities, dangers, and policy responses reveal themselves. In so doing, Gootenberg provides us with a framework for anticipating how the localized moral economies will change in coca-growing and drug-processing regions all the way from Putumayo in Colombia to the Chapare in Bolivia.

Taken together, these chapters provide a vivid and compelling account of the cocaine commodity chain from source to market. The volume outlines the ways that different iterations of the cocaine commodity chain engage in processes of self-regulation and how these exchange relations are rooted in deeper social logics that are specific to particular locales and social milieus, but also how the movement of drugs reorients local social, political, and economic dynamics. Building on this more nuanced understanding of cocaine's moral economies, Enrique Desmond Arias concludes by proposing an outline for a more progressive drug policy, one that acknowledges the important and productive role drugs play in the lives of those who survive at the urban and rural margins.

NOTES

1 The global market for all drugs has been calculated at between $426 billion and $652 billion (May 2017). Consumers in the United States spent around $150 billion on cocaine, heroin, marijuana, and methamphetamine in 2016 (Midgette et al. 2019: xi). Expenditure on cocaine in the United States declined from about $58 billion in 2006 to $24 billion in 2016 (Midgette et al. 2019: 26).

2 All drug revenue estimates—and particularly those for total global illicit drug revenues—should be interpreted as broad approximations and not as precise knowledge.

3 There are currently an estimated 245,000 hectares of land under coca cultivation (UNODC 2019: 13) and around 237,000 families dependent on coca cultivation in the Andes (Grisaffi, Farthing, and Ledebur 2017: 132).

4 The chemicals used to refine pure cocaine are most often diverted from legal supplies in the chemical industry, but some cocaine manufacturers, especially in Colombia, aim to achieve self-sufficiency by producing these substances themselves (UNODC 2020: 21).

5 In 2017 the market for dried coca leaf in Bolivia was worth up to $374 million, representing 8.7 percent of Bolivia's GDP in the agricultural sector (UNODC 2018a). In Colombia in 2016, this figure was over $560 million, but given Colombia's larger economy this only represented 3 percent of agricultural GDP (UNODC 2017).

6 A UN study from 2005 estimated that only about 1 percent of the final retail value of cocaine finds its way back to the Andean coca farmers (UNODC 2005).

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