



Research Paper

‘Nice people doing shady things’: Drugs and the morality of exchange in the darknet cryptomarkets

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ABSTRACT

Background: An ethnographic analysis of drug-centred cryptomarket community and exchange, this article explores the embedded values around drug distribution and consumption within this setting. Drawing on our interviews with cryptomarket users, we analyze the ways in which users claim the cryptomarket as a space of morality, empathy, trust, reciprocity, knowledge transfer, harm reduction and self-limitation. The anthropological concept of the morality of exchange is central to our theoretical approach.

Methods: Between December 2014 and July 2017, nine interviews were undertaken with users of drug cryptomarkets. These were conducted in person, using Skype video calling, and using the encrypted ‘self-erasing’ chat app Wickr. The researchers also used overt non-participant observation (NPO) within the cryptomarket forum. This two-pronged approach – interviews and spending time within the community via NPO – enabled a thick description style of ethnographic analysis.

Results: Our research reveals online drug markets less as perfect markets (working to rules of supply and demand) and more as constructive communities of interest that perform and negotiate drug use and supply. We found that participation within these interest communities had practical impact such as changing the type of drug that users consume and the ways in which they participate in street drug supply. Significantly, these values and actions mediate the interface between online action and ‘meatspace’ (the offline world) and reinforce that the motivations and processes of internet activity are just as ‘real’ as offline action.

Conclusion: We redefine the illicit drug focused cryptomarket as a place of exchange, mediation and reciprocity. Real-time knowledge transfer with the aim of harm reduction is one example of the impact of cryptomarket interaction. We caution that this is not a space of kinship and affinity: it is not without its scams, hackers and threats. It is, however, much more than a ‘drug marketplace’ and to understand how users themselves conceptualise this space is fruitful for any understanding of cryptomarkets. Cryptomarket exchange is a form of social action that is not restricted to its economic value for participants.

r/darknetnoobs with FAQs¹: why a morality of the illicit?

Cryptomarkets are online sites for the exchange of illicit goods and services that make use of the Tor darknet and its qualities of anonymity and hidden hosting (Martin, 2014; Barratt, Allen, & Lenton, 2014). Cryptomarkets are themselves a hybrid of several technical systems. As well as being hosted within the darknet, payments are made using peer to peer cryptocurrencies, such as bitcoin and Monero. Drugs are delivered through public postal services and private couriers. To users the cryptomarkets appear as a web market selling the wares of many vendors. To this technical infrastructure is added the wider social infrastructure of supporting discussion forums on the darknet and the open

clearnet on which vendors, buyers and other parties exchange information, criticise and assess different products and share experiences. There is a tendency to see these places as meeting points for exchanges of goods, intelligence, contacts and personnel: there remains an assumption that trade is depersonalised. We conceive cryptomarkets as reflecting a ‘morality of exchange’ (Parry & Bloch, 1989) through which users account for their actions and those of others. Cryptomarkets have been particularly subject to myth-making as they intersect with similar claims about the motivations of drug vendors and market administrators as being driven by financial gain (The Economist, 2016). They may appear to many participants as transparent, economically motivated markets that place a premium on quality, service and stealth.

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¹ One participant, Elias, explained to us that there is a ‘great deal of knowledge [exchange]’ surrounding the darknet. He gave one source as the FAQs on Reddit sub-reddit ‘r/darknetnoobs’ and it is this we reference here.

However their activities are as motivated by a desire for social relationships and status recognition and community membership that helps to situate users within a moral framework (Barratt, Allen & Lenton, 2014). Non-economic motivations and justifications are crucial to understanding the activities undertaken in cryptomarkets (Munksgaard & Demant, 2016, Ladegaard, 2017a) and we offer a framework for conceptualising them. They are central to how participants approach cryptomarkets and act within them.

Cryptomarkets are both novel and familiar. They form a small proportion of the overall drug market (Hall & Antonopoulos, 2016; Kruihof, Aldridge, & Décary-Héту, 2016). They are mainly focused in a few European countries, Australia and the USA (Winstock, Barratt, & Ferris, 2017). We argue that their significance is much greater in terms of how information is disseminated through them, as much as their role in being a conduit in the illicit supply chain (Martin, 2014). Although they account for a small percentage of the overall drug market they intersect with other parts of the illicit and licit economy in new ways afforded by their technical and social structure (Aldridge & Décary-Héту, 2014; Hall, Koenraad, & Antonopoulos, 2017). Their significance is partly in the greater efficiency they bring to some aspects of the middle market and retail market in illicit drugs but also in the new orientations they allow drug users and dealers to develop which is where we situate our paper.

Our approach is to recognise the productive qualities that attract cryptomarket users and through which they reformulate and account for their practices. Cryptomarkets are composed of many different individuals with different motives. Some want a quick profit, others provide harm reduction advice, and still others seek to demonstrate their technical ability or provide social supply for friends (Barratt, Ferris, & Winstock, 2014; Barratt, Ferris, & Winstock, 2016; Barratt, Lenton, & Maddox, 2016). As in other studies, the generation of a political or personal commitment is important in keeping members participating (Maddox, Barratt, & Allen, 2016; Munksgaard & Demant, 2016). So there are many different roles, some of which are designed into the cryptomarkets (such as the division of labour between administrators and vendors) and some of which arise within them (such as the checking and verification role of particular discussion forum participants). Motivations that might be thought of as strictly pragmatic (such as for drugs that are better quality, cheaper or more convenient) have been to the fore. However this may not be true and could be part of the mythology that has sprung up around them. Drugs on the cryptomarkets are not significantly more potent, are not always more convenient to obtain than in the face to face market (Barratt, Allen et al., 2014; Barratt, Ferris et al., 2014), nor cheaper (van der Gouwe, Brunt, & van Laar, 2017). They are more predictable and consistent in some aspects and possibly involve less risk. So cryptomarkets are not quite the universal drug tuck shops of critics' imaginings. We hypothesise that their attractions lie elsewhere, in validation and confirmation of the autonomy of users and allowing for a demonstrably moral market to emerge.

Our approach uses insights from the anthropology of markets and exchange to frame the activities of cryptomarket users, acknowledging that 'Humans are motivated by social fulfilment, curiosity, and the pleasure of mastery, as well as instrumental purpose, competition, and the accumulation of gains.' (Gudeman, 2001: 1) As such, any economy consists of 'market' facets and 'community' facets. The two might be defined as 'mutually dependent, opposed or interactive' (Gudeman, 2001: 1). Our research hypothesises a novel composition in which 'market' and 'community' form a hybrid.

Markets: meaningful formulations and cultural relations

An understanding of 'cultural economics' is helpful here. Material action is formed through practices *other* than economic – such as the religious or societal – and cannot be separated from them. Further, there is no 'true' model of economy or market or marketplace that

cryptomarkets aspire to or fail to reach. In fact, economy, market and exchange exist as multiple meaningful formulations in their specific – and changing – cultural contexts (Gudeman, 2001). Parry and Bloch argue that we must 'focus on the cultural meanings that surround monetary transactions' and that 'money [here, exchange] must be seen in the cultural matrix that forms it' (1989: 1). We agree that these must be considerations about how exchange occurs, given that it is culturally embedded and cannot be understood in isolation. However, we would expand on this to argue that cryptomarkets not only defy a reductionist approach to the marketplace but also challenge new definitions of markets themselves.

The anthropology of exchange brings us to concepts of reciprocity, obligation and expectation (Malinowski 2014, Mauss 2000 [1925]). Sahlins (1972) found that between relationships and reciprocity, transactions outwith pre-existing relationships could result in 'negative reciprocity' (a transaction to the benefit of one party and detriment of the other) and that community transactions promote balanced reciprocity and that familial transactions can create generalized reciprocity, whereby an individual may act in the interest of another before their own self-interest. One might assume that cryptomarkets are selfish spheres of negative reciprocity. Our findings show they are far more nuanced than that.

Inspired by this general concept, we have here taken our participants' experiences of the cryptomarkets and related them to community. Rather than existing 'outside the community' in a kind of 'unreal' space, cryptomarket transactions in the form of both economic and knowledge exchanges create and maintain social, community relations. This is the sense of cryptomarkets as a social and political space (Maddox et al., 2016; Munksgaard & Demant, 2016) and also as a reciprocal space. This is true in the 'meatspace', the offline world where online and 'real-life' interactions coincide and especially so in cases where cryptomarket users have instigated *positive* reciprocity, for instance in offering harm reduction knowledge and advice. Law enforcement actions form part of the constellation of risk judgements that inform the actions of vendors and buyers which often mean a reluctance to ship across national borders. Recent work has noted the regionalisation and localisation of cryptomarkets (Demant, Munksgaard, & Décary-Héту, 2017). We then have two kinds of boundedness. There is the risk community, defined by the borders of the nation-state, where cryptomarket vendors are incentivised to keep their trade within a geographic area. Then there is the moral community which subsumes it.

What do we mean by a morality of exchange? Firstly, it is imperative to consider any monetary transaction as culturally constructed. On the cryptomarkets, we encounter circulation, exchange and consumption. One might expect that the anonymous platform is perfectly aligned with the impersonal market-place. Money is said to depersonalise social relations and anonymity on the internet arguably does so also – yet anonymity does not inevitably lead to depersonalisation (Bancroft and Scott Reid, 2017). Yet, when we add to this our particular context of illicit transaction, we see in fact a *re-emergence* of cultural relations.

Our aim in this paper is to understand the morality of exchange in cryptomarkets using ethnographic methods. We explore how they construct the morality, comprehensibility and accountability of their activities. Central to that are the thresholds they lay down which transition them between different moral categories.

Methods

We had to understand the multiple positions people occupy in relation to their cryptomarket activity and how they position and account for their activities by using methods that actively engage with them. To do that we needed to conduct in depth qualitative interviews focused on themes that were co-constructed with respondents. We conducted nine interviews with cryptomarket users, with two follow ups and some ethnographic observation of their activity while they used the

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