

CRYPTOMARKETS

EMERALD STUDIES IN DIGITAL CRIME, TECHNOLOGY AND SOCIAL HARMS

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Over the past two decades, digital technologies have come to permeate ever more aspects of contemporary life. This trend looks set to continue and has profound implications for the social sciences, particularly criminology, with technology-facilitated offences now arguably constituting the most dynamic and rapidly growing area of contemporary crime. Despite this development, the discipline of criminology has been slow to embrace the critical study of technology-facilitated offences and social harms, with most research conducted in this area still informed by a relatively narrow range of cybersecurity and applied criminological perspectives.

Emerald Studies in Digital Crime, Technology and Social Harms is part of a new movement within criminology and related disciplines to broaden this narrow focus and engage critically with new trends in technology-facilitated offending and victimisation. The book series uses a combination of critical criminological, socio-legal and sociological perspectives to consider a wide range of technology-facilitated offences and harmful social practices, ranging from digital surveillance, cyber-bullying and image-based sexual abuse through to global darknet drug trading.

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CRYPTOMARKETS: A RESEARCH COMPANION

BY

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INVESTOR IN PEOPLE

To the cryptomarket community.

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INTRODUCTION

This book is about cryptomarkets and cryptomarket research, with a particular focus on the illicit drugs trade. As the title suggests, it is intended as a guidebook to those with an interest in conducting their own study into this fascinating and ever-expanding area of research. There is no shortage of interesting fodder. In little more than eight years, cryptomarkets have facilitated hundreds of thousands illicit drug exchanges, likely worth in excess of two billion US dollars. They have been implicated in fatal overdoses and facilitate door-to-door delivery of a greater volume and wider range of illicit drugs than may be witnessed in any open air drug market in the world, and yet they are widely suspected to be reducing a range of systemic drug and prohibition-related harms. They have been linked to acts of domestic terrorism (Malik, 2019), been falsely implicated in providing a safe haven for hitmen (Ormsby, 2016) and traders in weapons of mass destruction (Brewster, 2017) and caused both media sensations and moral panics on both sides of the Atlantic, and as far afield as Australia and Argentina. They have catalysed the development of new investigative tools and strategies, and new forms of transnational policing, jurisprudence and cross-jurisdictional extradition. And each year they grow bigger, demonstrating a remarkable resilience to internal and external assaults reminiscent of the mythical hydra of antiquity.

As we said, no shortage of fodder.

Overarching all of this has been the development of an entirely new sub-field of research – cryptomarket studies – which has seen extraordinary methodological development and innovation across a diverse range of disciplines, including criminology, sociology, computer science, economics and public health. There is room for more. Indeed, more studies, more grants, more researchers – whether undergraduate, post-graduate, doctoral or professorial – and the involvement of more disciplines and cross-disciplinary collaborations. These are sorely needed to extend the field further and to help understand what are truly twenty-first century phenomena: anonymous online marketplaces with operations and implications that stretch around the globe and into the deepest recesses of cyberspace.

So, to accompany this scholarly call to arms (or, more accurately, keyboards), we present this book, which comprises four distinct chapters, each intended to assist cryptomarket research in some way. Chapter 1 provides a history of the development of cryptomarkets. It grounds our understanding of these unique online phenomena within an economic-sociological framework and discusses how cryptomarkets emerged as a social institution with their own norms, processes and political ideologies. The chapter separates cryptomarket history into three broad epochs, with a preceding section focused on the period prior to the launch of Silk Road and concluding with the seemingly permanent state of flux following the massive transnational policing crackdown, Operation Onymous.

Chapter 2 provides a detailed overview of the current state of cryptomarket research with a focus on macro-level empirical trends and developments. These include estimates of the overall size and composition of the cryptomarket economy;

its geographical distribution and effects on drug trafficking routes and organised crime groups; and the various stages comprising the cryptomarket lifecycle, as well as the leading causes of their mortality. Also included in this chapter is a qualitative analysis of non-drug goods and services and market prohibitions. Here, free from the governing influence of any state or (legal) corporate power, the communities surrounding cryptomarkets – from market administrators to anonymous purchasers of drugs, guns or credit cards – reveal their values, ethics and limits of toleration.

In Chapter 3, we provide a detailed analysis of the various methodologies by which cryptomarkets are understood by the academic community. These include quantitative approaches, such as surveys and the use of automated software crawlers which collect and parse the digital traces left lingering on the dark web by tens, perhaps hundreds, of thousands of pseudonymous traders. Discussed also are qualitative approaches, from lurking on markets and discussion forums, to deep ethnography and interview techniques requiring the active participation and consent of one of the most elusive subject populations in the digital world. The use of both new and old research methods necessitates ethical consideration and reflection, which are also detailed and debated in the final section of the chapter, with particular reference to the often-conflicting needs of the academy and law enforcement.

Chapter 4, the conclusion of the book, discusses the limits of our knowledge and understanding of cryptomarkets. It outlines trends and activities which we suspect to be occurring, but have not yet confirmed or disproved, highlights research areas that are neglected or underdeveloped and offers a suite of questions, topics and hypotheses for future research.

As will become clear throughout the book, much has been achieved in recent years in our understanding cryptomarkets, but there is still much more to do. Presented herein are all of the tools, techniques and backgrounds information we believe are necessary to begin one's foray into the cryptomarket research space. We hope that you find it a useful starting point for the exciting journey ahead.