
This article analyzes the characteristics of the illegal market production of coca. This article analyses the characteristics of illegal coca production from a traffickers’ perspective. The dealers have an incentive to obtain full market power by establishing a strict monopsony. We analyse two particular cases in the absence of State action. In the first, the dealer operates without competition, and in the second there is competition between two traffickers. Due to the possibility of an indiscriminate use of force, in both cases the final result is that monopsonies are established.

**Keywords:** Illegal behaviour, underground economy, monopsony, oligopsonic competition, firm behaviour.

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