

A MODEL OF DESERTION. FROM A PRINCIPAL-AGENT THEORY PERSPECTIVE

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This article studies the nature of the trade-off between incentives and enforcement mechanisms that an Armed Illegal Organization (AIO)'s leadership, which is the principal, offers to its operatives, who act as agents. This principal-agent model focuses on both the expected benefits and costs for those who decide to stay or defect from the armed organization, in an uncertain context in which desertion is encouraged by an external agent who is providing incentives aimed at fostering operatives' individual desertion. Given a parameterization of the model, we find the optimal transfer system using the constrained minimization routine *fmincon*

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