

ZY13-08 論文要旨説明書

報告論文のタイトル: Collusion, Breakdown, and Competition in Procurement Auctions

報告者・共著者 (大学院生は所属機関の後に (院生) と記入してください。)

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論文要旨 (800 字から 1200 字, 英文の場合は 300 から 450 語)

This research investigates firms' bidding behavior and market design in procurement auctions at an unidentified Japanese city. During the collusive period, bid rate and winning bid rate are very high. Municipal officials control designated winning bidder among cartel members based on their backlogs. In the middle of analysis period, JFTC initiated legal measures against collusive participants in procurement auctions and city officials in the involvement of the bid rigging. We compare collusion and competition in these auctions to understand the characteristics of official-led bid rigging and the effects of auction reform. The timing of JFTC's actions enables this research to separate data into distinct periods of collusion, transition, and competition. We are able to evaluate the changing characteristics of auction markets and assess effectiveness of auction reforms.

Our examination of these three periods suggests that JFTC's investigation initiated a breakup of the auction cartel and that city reforms of its procurement auctions were successful. Previous research on auctions of public works (Bajari and Ye (2003) and De Silva et al. (2003)) incorporates backlogs of uncompleted contracts and distance from a location of a bidder to that of a contract into costs across bidders. We show that the backlog is associated with significantly higher bids during the collusive period, while the distance is not statistically significant during the competitive period. Colluding city officials designated a winning bidder among colluding firms to take account of their backlogs. In this aspect bidders reasonably behave. However, the official-led bid rigging is generally inefficient since the distance as a cost factor is not reflected in their bids. We also show that several measures to reform auctions significantly lower bids. New entry after relaxing regional requirement for participation makes auctions market more competitive. Especially, the reaction of incumbents against entrants lowers bids significantly. Introduction of electronic bidding significantly lowers winning bids.