

Research and analysis on a mechanism of bid-rigging

This study classifies and considers a mechanism of bid-rigging in terms of several categories from the viewpoints of economics perspectives, and analyzes a case study based on the consideration. In particular, we firstly make several items to classify indices to make it clear from the economics viewpoints, and secondly consider the classified results statistically. Main results and consideration are as follows:

- i) We make a prototype of new and flexible database with respect to various bid-rigging mechanisms from a cross sectional standpoint to aggregate and classify them.
- ii) We make it clear to recognize using rather primitive bid-rigging mechanisms in detected cases in Japan, by the analysis of database from April, 1996 to December, 2007.
- iii) When there is a project with observable cost which has profiles like territorial located factors such as (maintaining or repairing) continuity, it is obvious that the “right-holder” of the profiles of the project is paid serious attention in many bid-rigging mechanisms.
- iv) (According to above iii) we pick up a case study of bid-rigging case with mixed new projects and continuous projects and show a possibility of misinterpretation in empirical analysis if there is no dividing these two profiles of the projects in order to emphasize the necessity of separating analysis based on economics thinking.
- v) Mainly, there are some cases based on observable cost in the bid-rigging mechanism with only an ancillary factor, which have a function to solve information asymmetry.