Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Bc. Jana Marečková
Advisor:	PhDr. Ing. Jiří Skuhrovec
Title of the thesis:	Detection of Bid Rigging: theoretical and empirical analysis

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

The work aims at hard, yet policy relevant topic of bid rigging in public procurement, its large portion is devoted to case study on Czech market with medical machinery. Bid rigging is a hard empirical topic, since there are only few well documented cases of such practice worldwide, and remainder is examined only throu secondary indicators and their adherence to theoretical models.

Author provides decent literature review, somewhat lengthy introduction into public procurement problematic and then deals with empirics. The most fruitfull part of the analysis lays in examining the bidding patterns, namely in which groups firms enter various tenders. The key findings are the demonstration of practice of placing illusive bids (which are excluded from tender later on) and mutual ownership between „competitors".

The writing style is a bit weaker property of work, including sometimes too radical statements or hints not really backed by facts. Author is apparently aware, that secondary signs may never realy *prove* bid rigging, but at some points she does not formulate her statements very well.

There is decent ammount of work behind collecting some of the data inputs for the work. Although the author works mostly with public data, some of her findings are alarming and will likely be used in public debate. From economic point of view, the major contribution lays in documenting possible bid rigging practices and proposing some novel methods how they can be examined.

I propose grade **excellent.**

Suggested questions:

How would you defend the hypothesis of bid rigging against alternative possibility of simple market fragmentation (local monopoly, specialization of firms on small market niche)?

What part of the market are re-sellers and what part are genuine manufacturers of medical machinery?

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY		POINTS
Literature	*(max. 20 points)*	20
Methods	*(max. 30 points)*	25
Contribution	*(max. 30 points)*	30
Manuscript Form	*(max. 20 points)*	15
TOTAL POINTS	*(max. 100 points)*	**90**
GRADE	*(1 – 2 – 3 – 4)*	**1**

NAME OF THE REFEREE: Jiří Skuhrovec

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DATE OF EVALUATION: 11.6.2012

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Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

Strong	*Average*	*Weak*
20	*10*	*0*

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

Strong	*Average*	*Weak*
30	*15*	*0*

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

Strong	*Average*	*Weak*
30	*15*	*0*

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Strong	*Average*	*Weak*
20	*10*	*0*

Overall grading:

TOTAL POINTS	GRADE		
81 – 100	**1**	= excellent	= výborně
61 – 80	**2**	= good	= velmi dobře
41 – 60	**3**	= satisfactory	= dobře
0 – 40	**4**	= fail	= nedoporučuji k obhajobě