

Abstract

This bachelor thesis deals with the issue of collaborative purchasing in public procurement. We describe possible effects of centralized purchasing and define the objectives and strategies of the European Union regarding procurement centralization. Then, we examine the effects of centralized procurement based on a unique dataset of tenders from the whole European Union using Quasi-Maximum likelihood estimation. We find a positive effect of central procurement on competition in three procurement sectors. We also find that the effect is higher in countries with a higher degree of corruption. Centralized purchasing is criticized because of possible disadvantaging of small enterprises. We show that this strategy has a negative effect on the probability of awarding contracts to small or medium companies in two procurement sectors. One of the recommendations of the European Union to solve this problem is the usage of tenders with multiple selection criteria. However, our results do not confirm the validity of this recommendation.