The Economics of Collusion: Cartels and Bidding Rings

Robert C. Marshall
The Pennsylvania State University

Leslie M. Marx
Duke University
What is the book and why was it written?

- Existing literature provides only fragmented thinking about cartels and bidding rings
- Existing literature is devoid of the expertise that we have obtained through working at Bates White
- We offer central organizing themes
  - Nature of rivalry
  - Central issues related to suppression of rivalry
  - Structures required to successfully suppress rivalry
  - Detection through circumstantial economic evidence
Contents of the book

I. Introduction and narratives
   - Introduction (including tacit v. explicit)
   - 3 “page-turning” narratives: cartel, bidding ring, detection

II. Cartels
   - Suppression of rivalry, implementation, going beyond

III. Bidding rings
   - Suppression of rivalry, implementation, auction design

IV. Detection of collusion using economic evidence
   - Plus factors, plus factors for rings, coordinated effects