

# Informational impact of egalitarian government on collusion in sequential procurement auctions

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## Abstract

We analyze sequential procurement auctions with endogenously designated firms, not allowed to communicate with other firms and observe their winning histories. Instead, firms are only privately informed that the government intends to equalize the number of wins of each firm. Even in such environment, the high selling prices are sustainable in a variant of Markov-perfect equilibrium. The experimental results are qualitatively consistent with the theoretical predictions in the sense that the selling prices are significantly higher in informed firm condition than uninformed ones.

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