The relationship between competition and efficiency of waste-collection services in the Czech Republic

Jan Pavel, Jan Slavík

Abstract

This paper examines the role of the competition on the waste-collection market. Based on the case study of the Czech Republic, we evaluate the influence of competition intensity on supply side of the market on efficiency of waste-collection services. The rate of competition was approximated by the number of submitted bids to public tenders and efficiency was measured by per capita expenditures for municipal waste-collection services. We developed two regression models – the first model verified a competitive effect on the public procurement market for the provision of waste-collection services; the second model identified factors that affected municipal expenditures for waste-collection services per capita. We concluded that the competition in the waste-collection market increases by organising open tenders for suppliers at regular intervals, by adapting the duration of contracts to economic life of fixed assets, by sustaining pressure on service providers through a change in suppliers or the distribution of contracts among jurisdictions.

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