

Subject/Title	Production and Conflict Rent-Seeking Model with Hidden Output
Author(s)	Zen-Fu Ueng; Yi-Ming Hong
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Abstract	<p>Previous papers on rent-seeking tend to overlook the possibility that individual rent seeker can seek rent by many different devices. As suggested by Hausken (2012), the production and conflict model is a better choice to analyze rent seeking activities pertaining to production. This paper adjusts the setup of ordinary production and conflict model. We establish a production and conflict rent-seeking model with hidden output to conduct the rent-seeking analysis. We find that the strengthening of authority investigation or punishment of illegal output hiding activities will decrease output hiding level, increase rent seeking input, and at the same time decrease individual output, utility and social welfare. Our finding shows that the strengthening of authority investigation or punishment of illegal output hiding activities aiming to restrain illegal activities or maintain justice will have negative impact on individual utility and social welfare.</p>
Keyword(s)	Production and conflict model; Rent seeking