

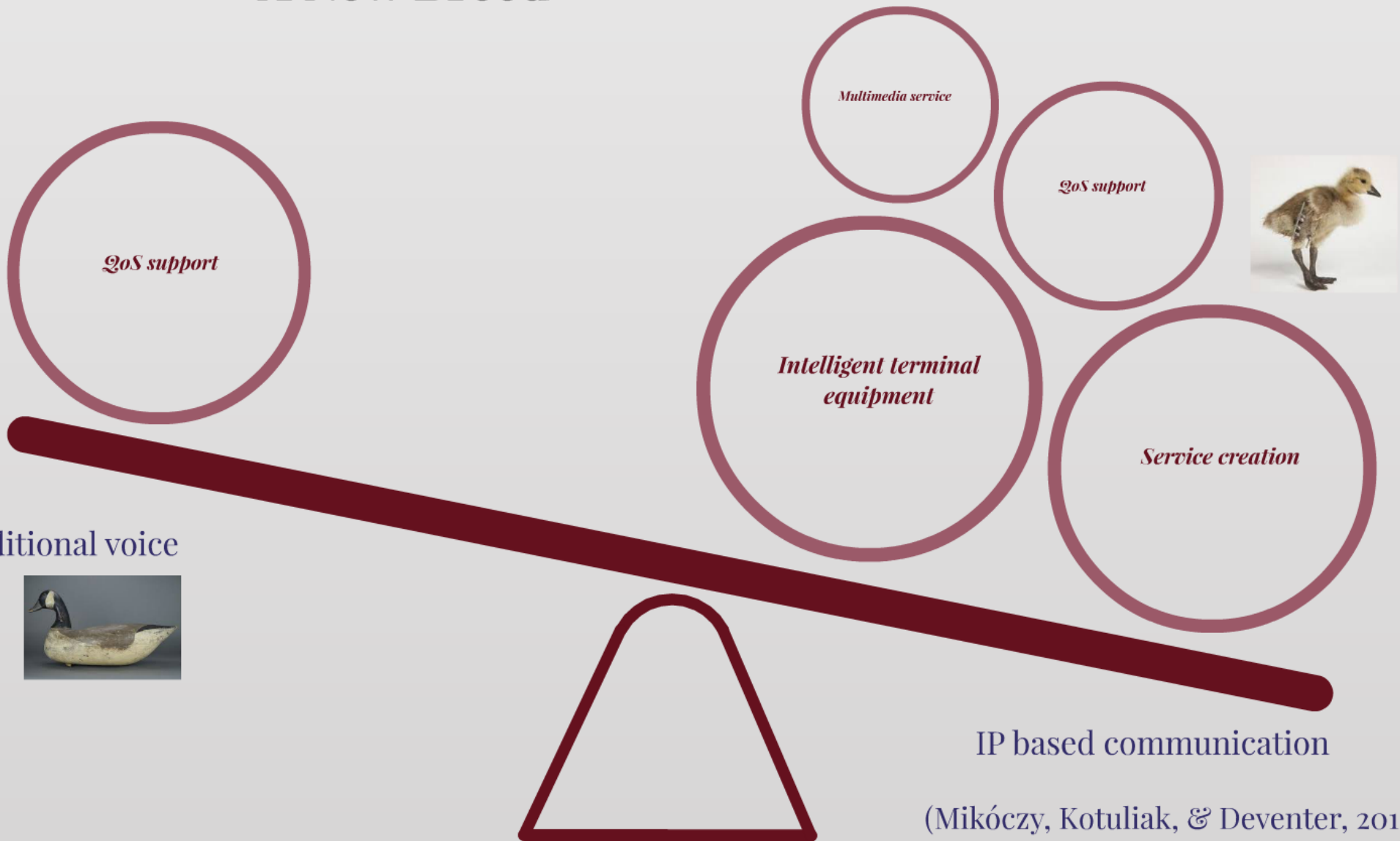
*Who will kill the golden
telecom goose in favor of
Internet-based
communications?*

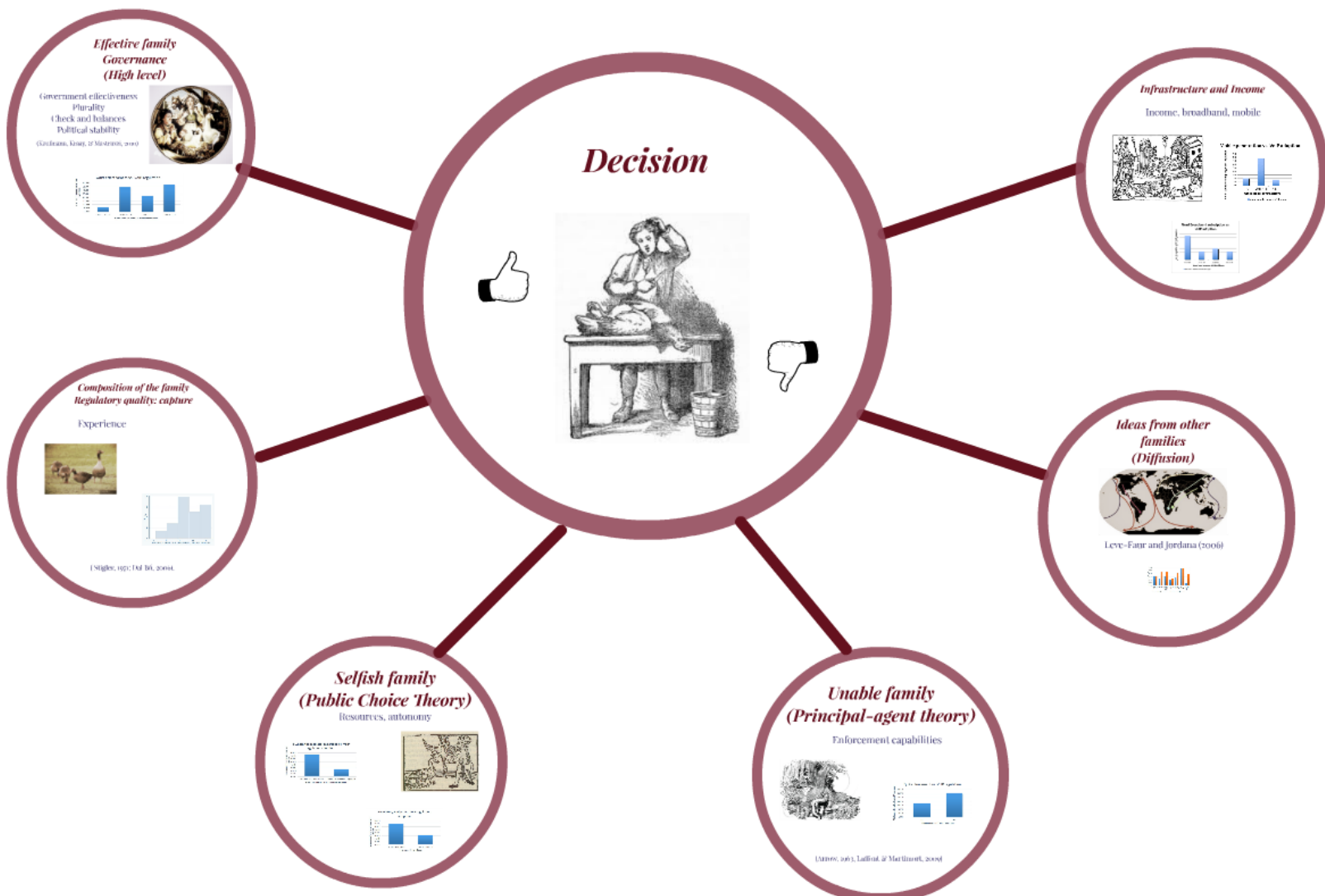


Martha Garcia-Murillo
Syracuse University

Moinul Zaber
Carnegie Mellon University

A New Breed





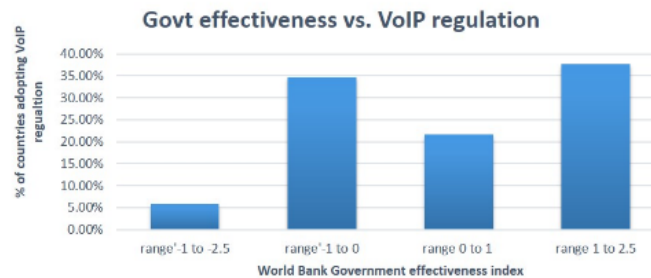
Decision



Effective family Governance (High level)

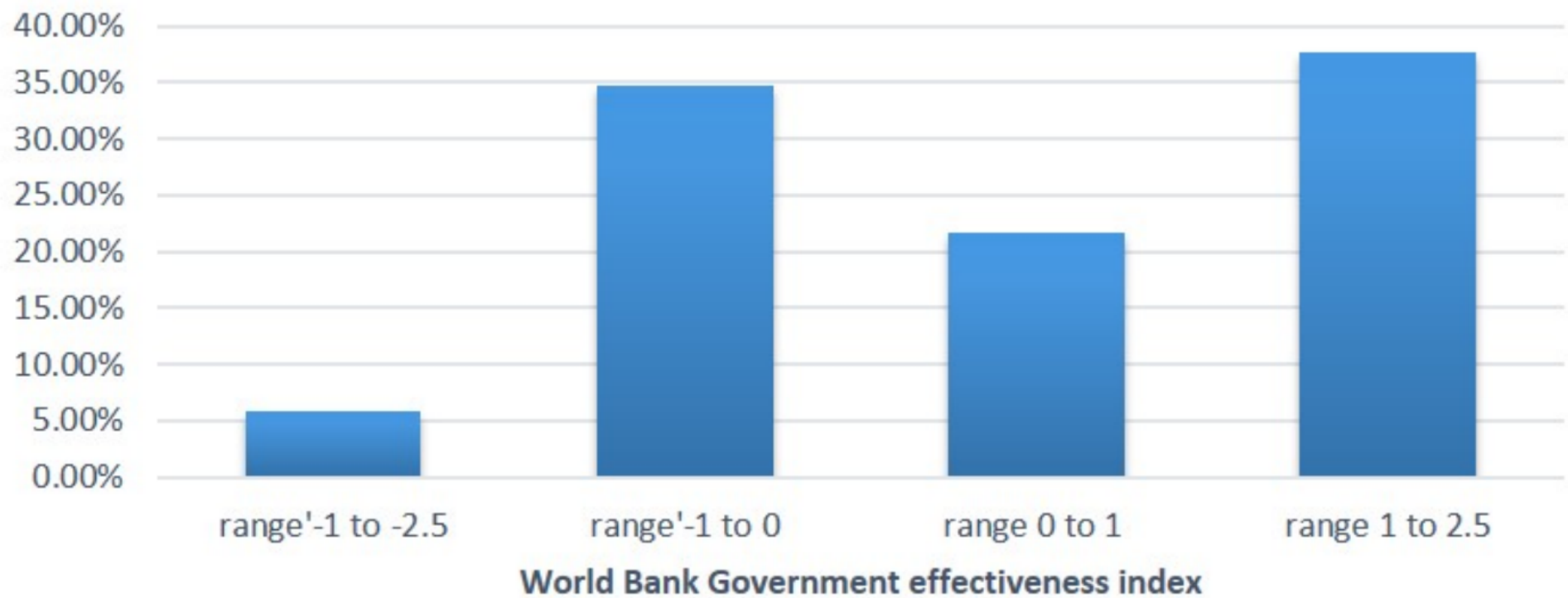
Government effectiveness
Plurality
Check and balances
Political stability

(Kaufmann, Kraay, & Mastruzzi, 2010)



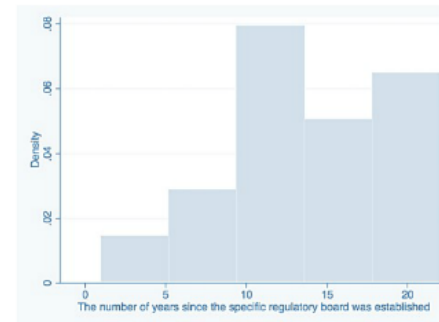
% of countries adopting VoIP regulation

Govt effectiveness vs. VoIP regulation

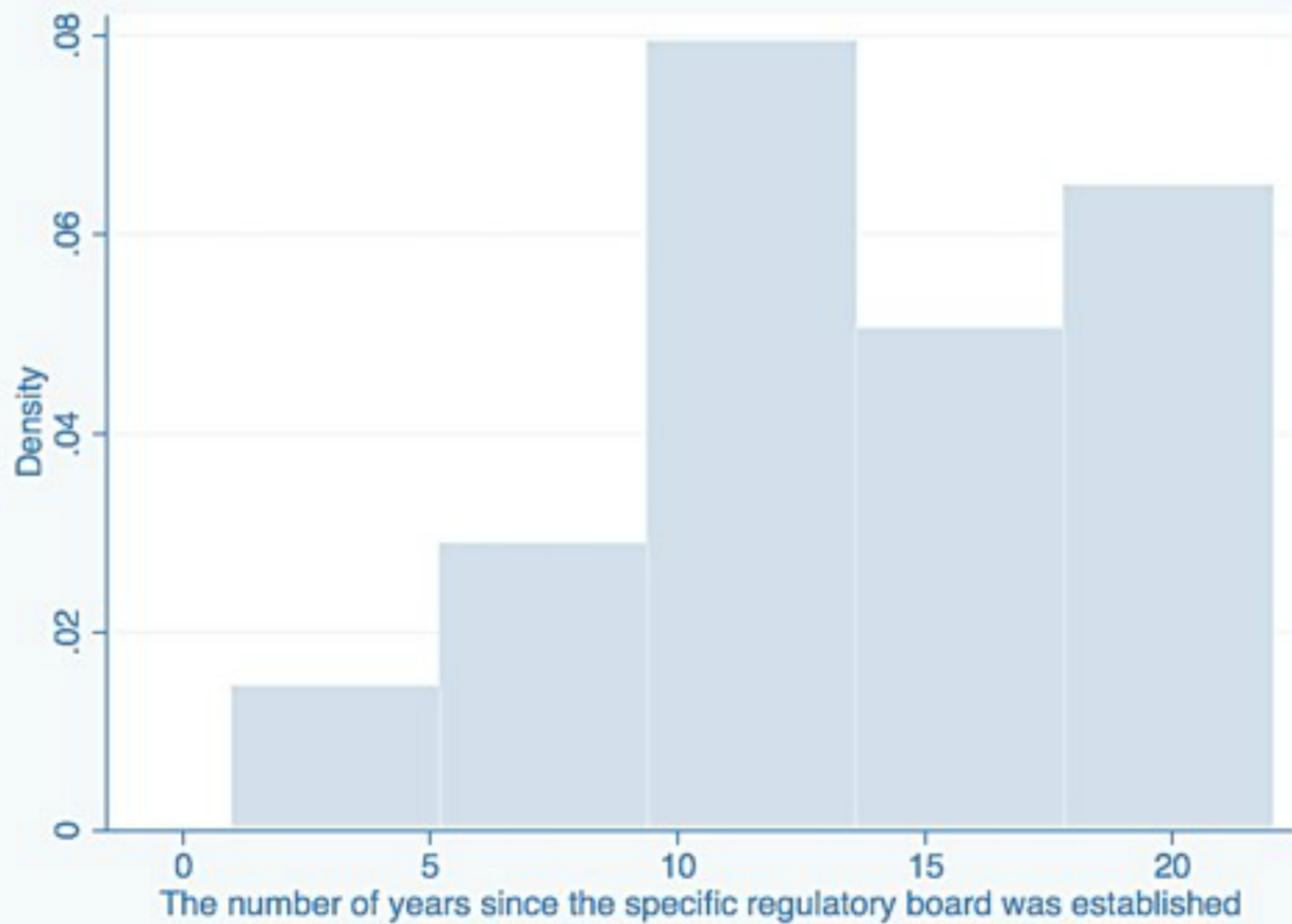


Composition of the family
Regulatory quality: capture

Experience

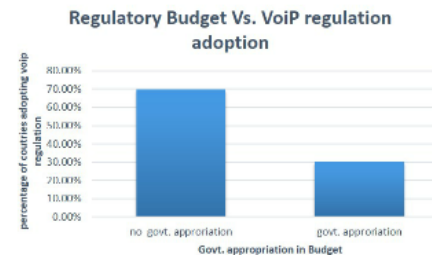
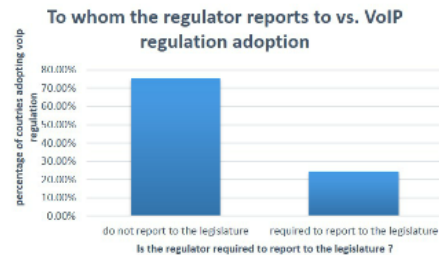


(Stigler, 1971; Dal Bó, 2006).

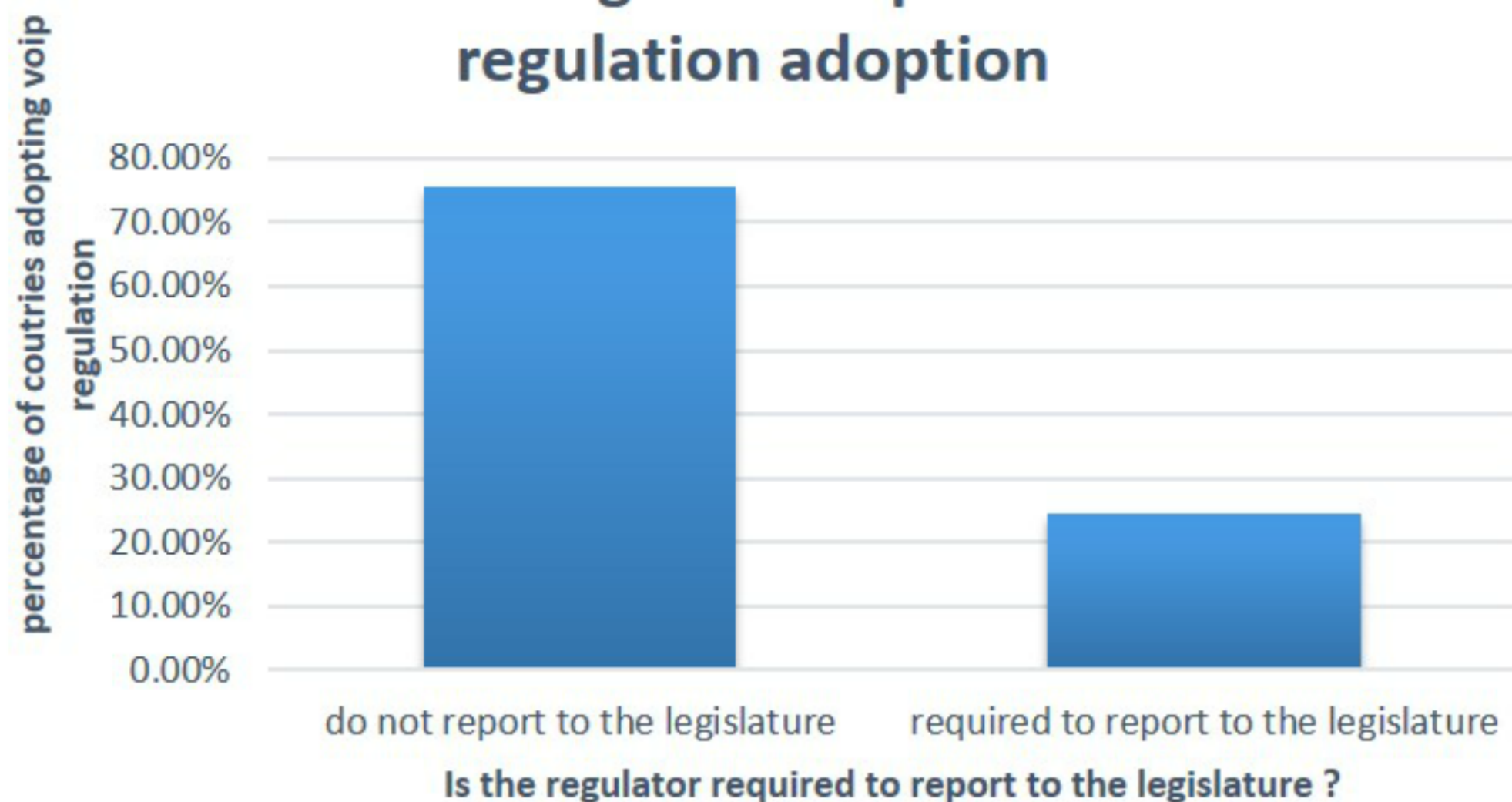


Selfish family *(Public Choice Theory)*

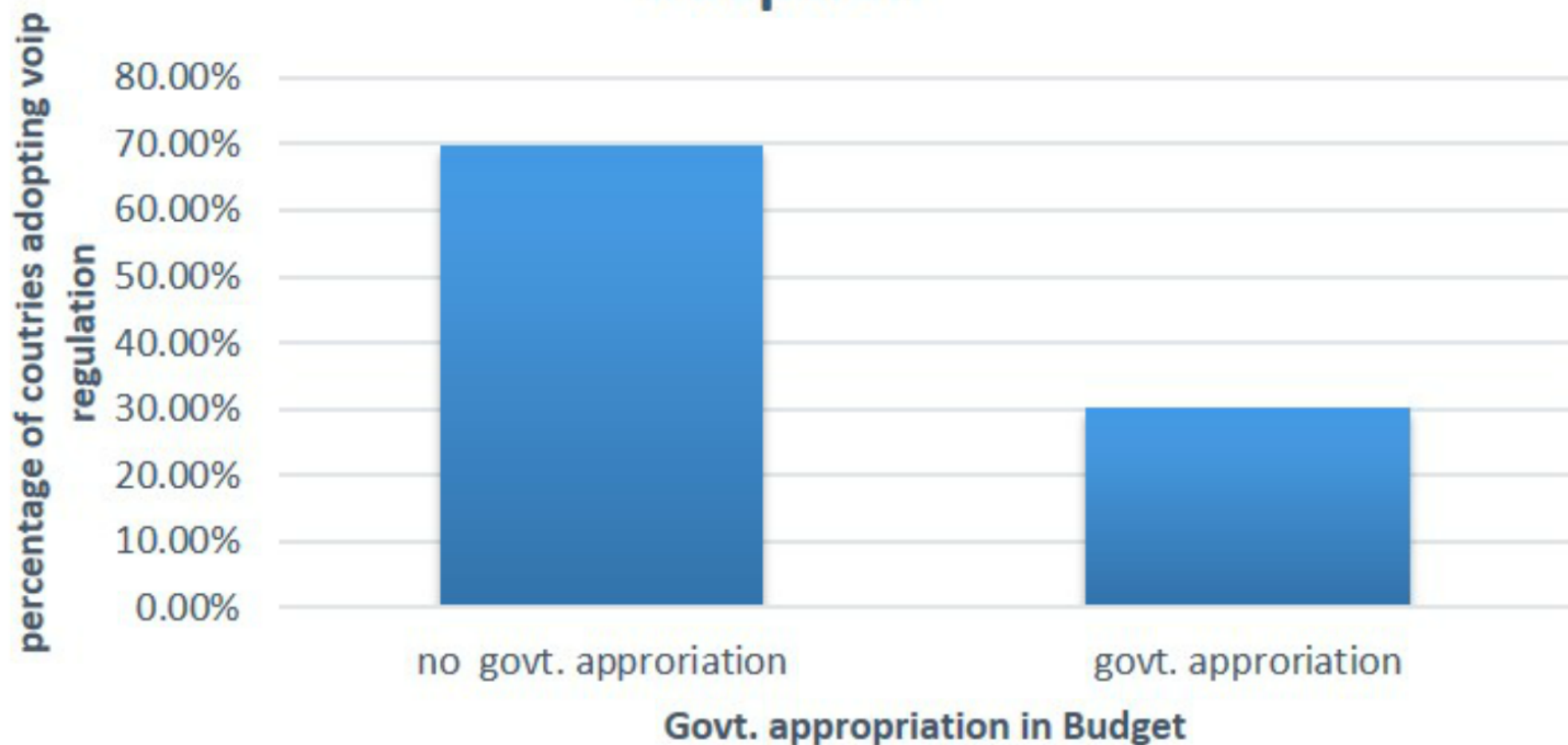
Resources, autonomy



To whom the regulator reports to vs. VoIP regulation adoption

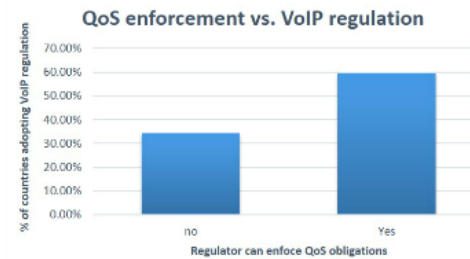


Regulatory Budget Vs. VoiP regulation adoption



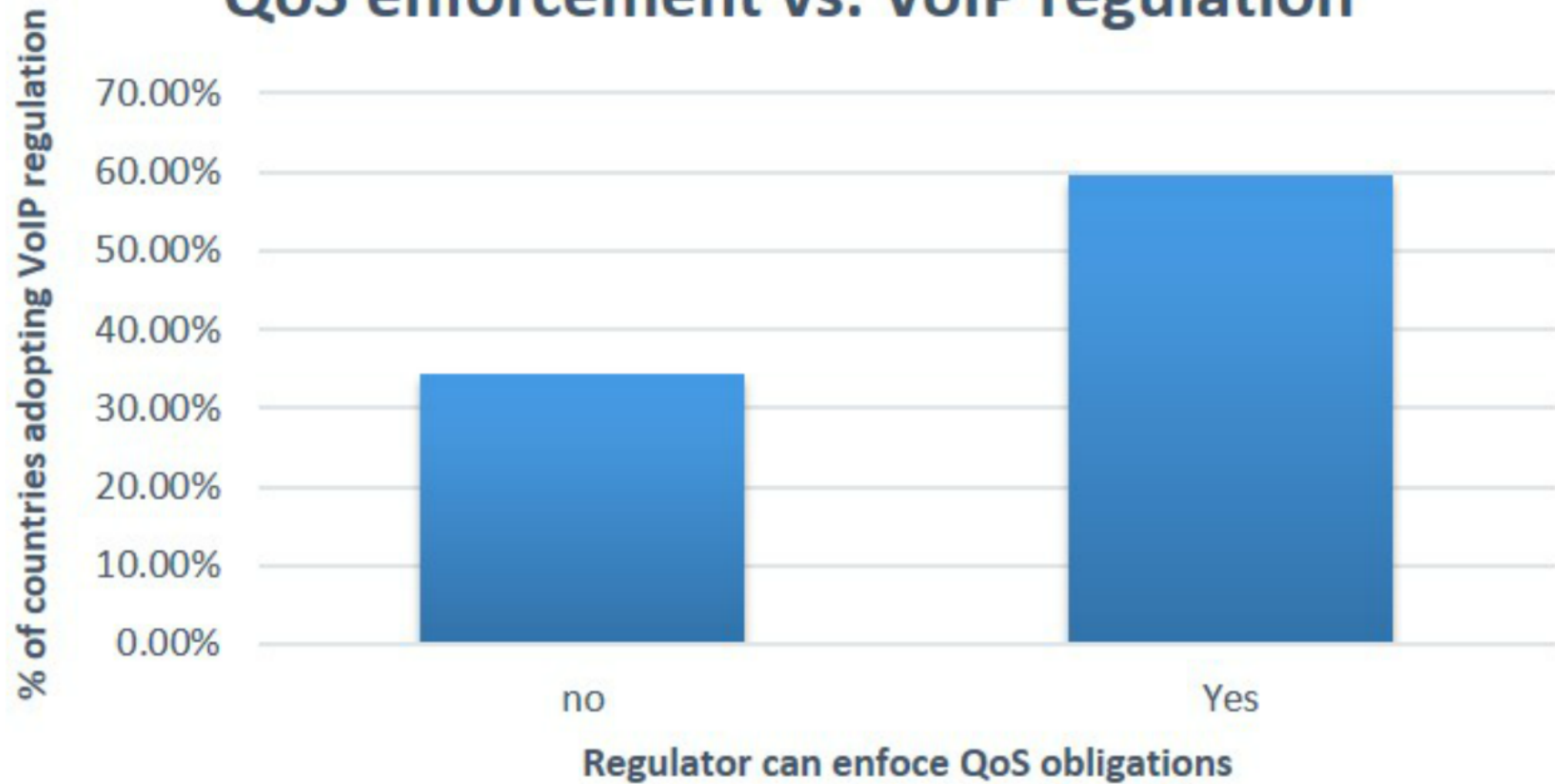
Unable family (Principal-agent theory)

Enforcement capabilities

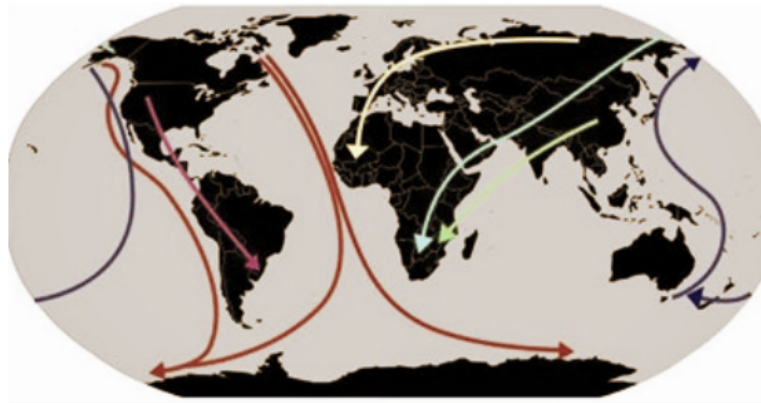


(Arrow, 1963, Laffont & Martimort, 2009)

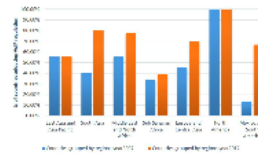
QoS enforcement vs. VoIP regulation

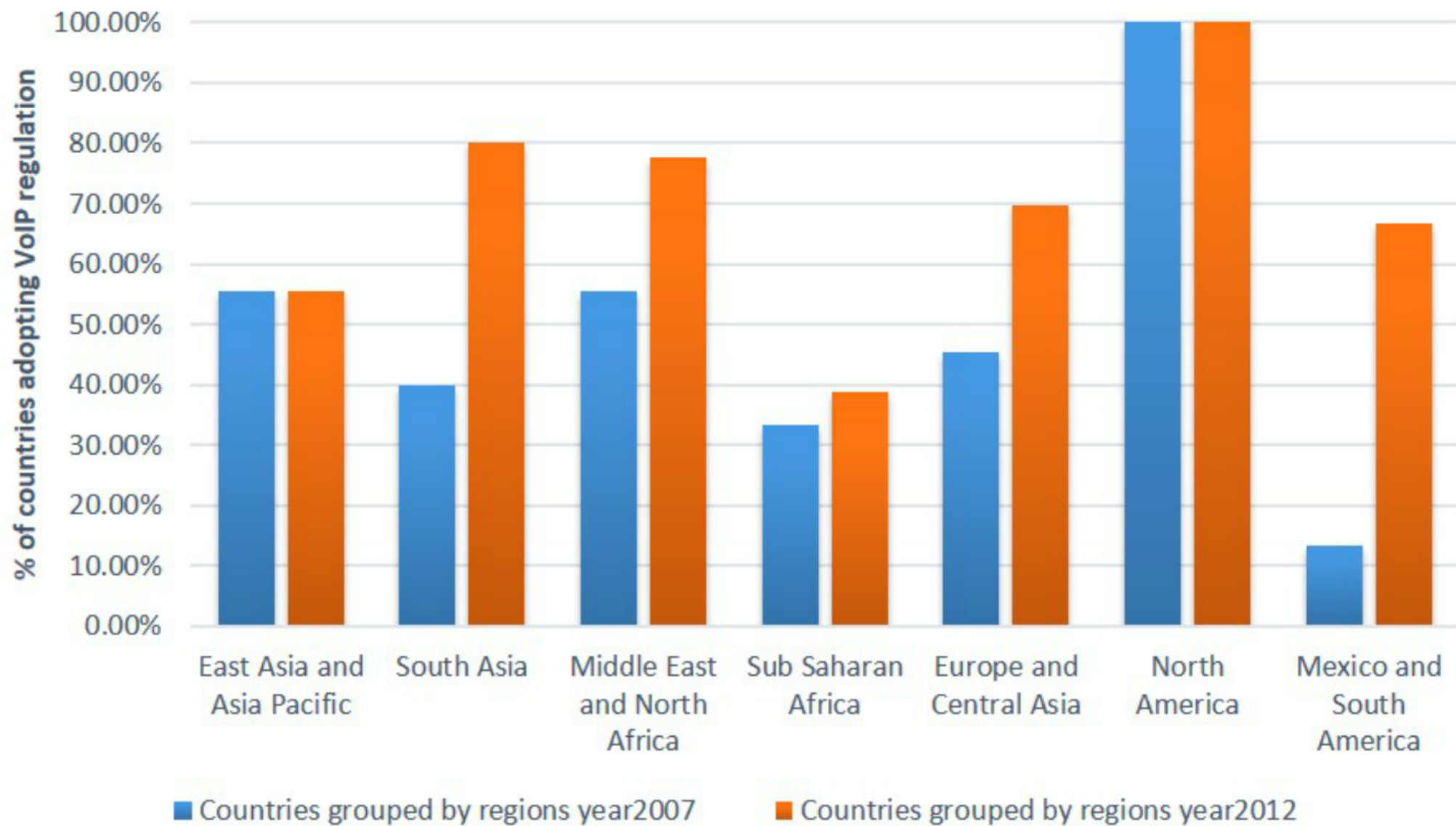


Ideas from other families (Diffusion)



Leve-Faur and Jordana (2006)



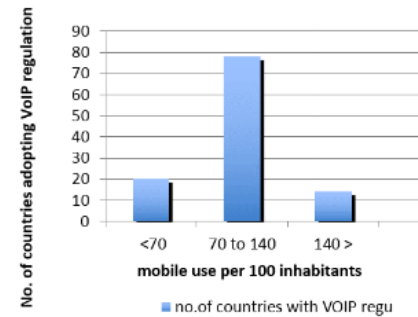


Infrastructure and Income

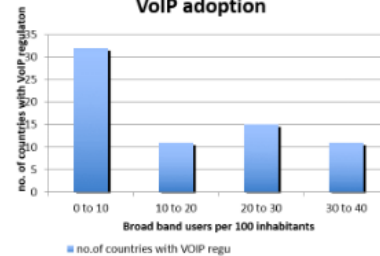
Income, broadband, mobile



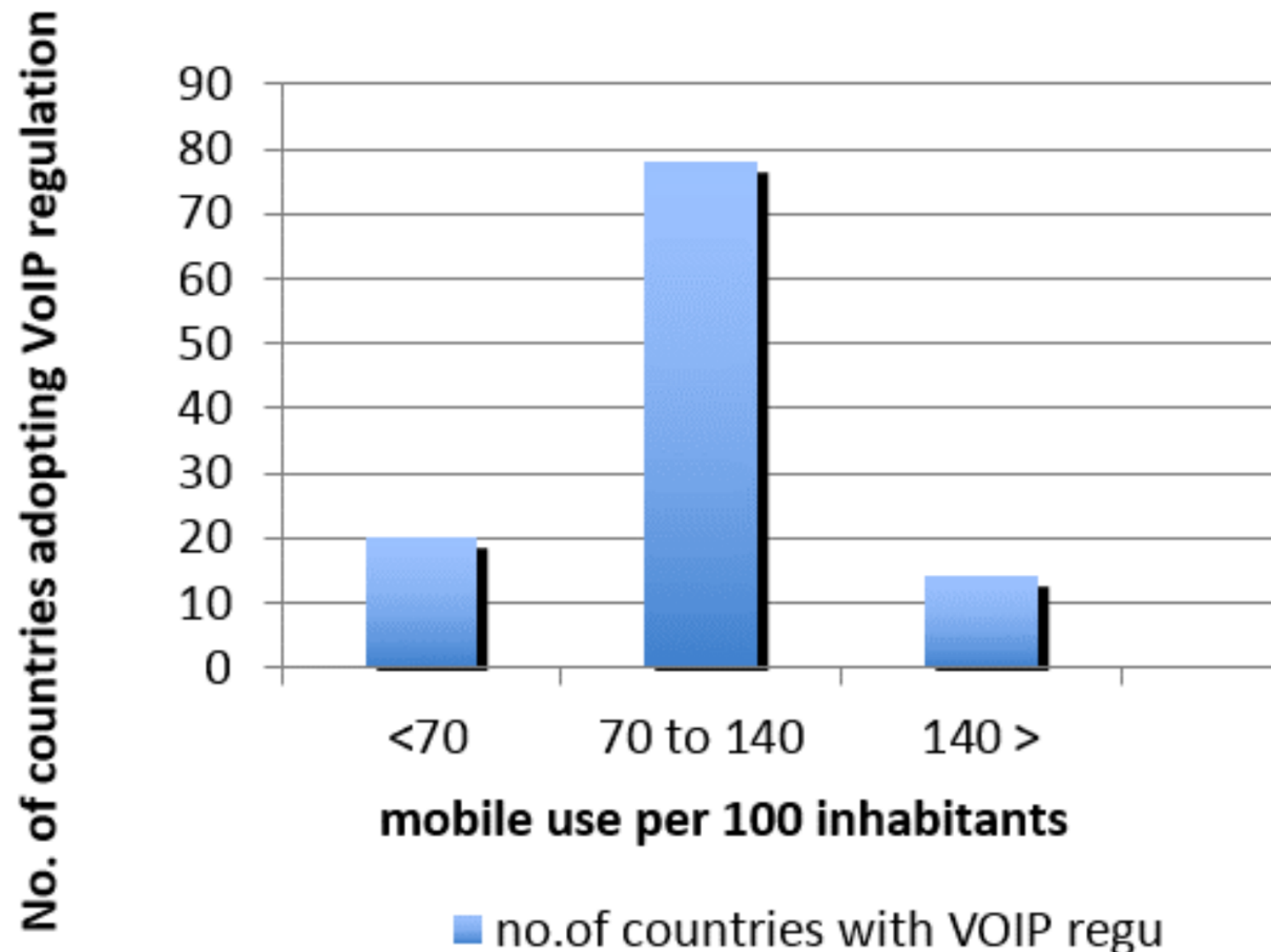
Mobile penetration vs. VoIP adoption



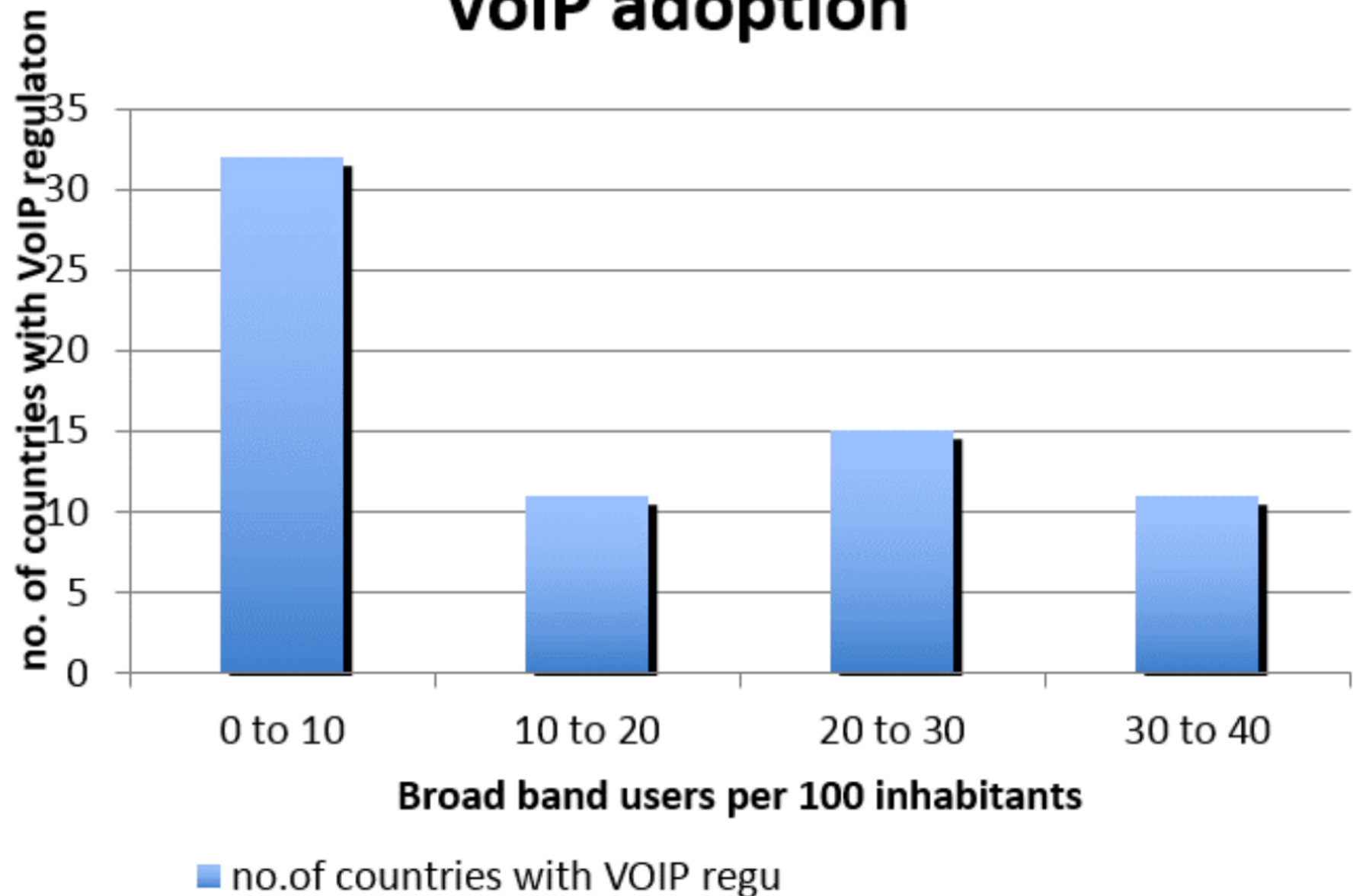
Fixed Broadband subscription vs. VoIP adoption



Mobile penetration vs. VoIP adoption



Fixed Broadband subscription vs. VoIP adoption



Data and methods

Data: World Bank, ITU, Regulator's websites

Methods: Logit

$$\text{Logit}(y(\text{voip}))_{it} = a_0 + \bar{x}_{it}a_1 + \bar{z}_{it}a_2 + \bar{l}_{it}a_3 + \bar{m}_{it}a_4 + \bar{n}_{it}a_5 + \text{error}$$

Results

Not significant
Effective Governance (Macro view)
Principal agent theory
Diffusion
Income
Infrastructure

Regulatory quality Capture	age	0.73***	-0.16	-0.07	-0.41	-0.17	-0.24
		(0.182)	(0.250)	(0.231)	(0.264)	(0.240)	(0.290)
	staff	0.01***	-0.01**	-0.01**	-0.01***	-0.01**	-0.01*
		(0.004)	(0.005)	(0.005)	(0.005)	(0.006)	(0.008)
Public choice theory	reportsleg	-4.62**	-2.96	-2.25	-3.49	-2.84	-3.61
		(2.292)	(3.116)	(3.046)	(3.158)	(3.016)	(6.677)
	govtappro	-2.90	-8.64**	-8.20*	-11.04***	-8.77**	-10.49
		(2.632)	(3.396)	(4.255)	(3.594)	(3.420)	(8.902)

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Conclusions

- Sector regulation is much more important than the general governance.
- Capture: An experienced regulator is more likely to make the switch
- Public choice: The less independent (resources and autonomy) the less likely to kill.
- In the telecommunications sector it appears that it has been high level policy on the sector what affects its development.
- Fear or caution?