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**Regulatory Policy Impacts on Pricing and Performance: An Econometric Analysis of Global Telephony Markets 2002–2007**

In a few short decades, radical changes in technology, market institutions, and regulatory and competition policy have transformed telecommunications markets. Telecommunications service traditionally meant “voice communication”; however, the term now encompasses audio (voice), data (fax and email), and video (graphics and multimedia). It is common to refer to these forms of electronic communication as the “triple play” when made available by a single provider. With these changes, the phenomenon of “convergence” has emerged as both the principal offspring and the driver of the technology-market-policy triad. Convergence is bringing together previously disparate communication services, content, and consumer market segments. This phenomenon raises questions about the future of communications and, in particular, about that of voice communication.

Given the overhanging influences of evolving technology and market institutions on electronic communication, forecasts about how the environment for voice communication services will be shaped by regulatory policy alone are frequently speculative. This study seeks a more rigorous answer by analyzing the impact of regulatory policy on national “voice” telephony market performance for the period 2002–2007. In particular, the analysis considers the impact of regulation and competition policy (including privatization, liberalization and promotion of competition, movement to independent and separate regulators, transition from ex ante to ex post regulation, licensing regimes, policies on technological standards, and promotion of broadband to aid universal access and socio-economic development) on voice communication service markets (especially market growth and pricing by segment). To accomplish these objectives, a structural econometric model is estimated on an unbalanced panel of annual national telecommunications data from 52 countries. Data relating to market structure, regulation, and conduct are obtained from the Global Competition Review’s Telecoms & Media reports, while data concerning market performance are sourced from the International Telecommunication Union’s World Telecommunication/ICT Indicators Database 2007. The study concludes with an assessment of market performance and speculates on the likely shape of future electronic communication markets in general.

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