How Do Mobile-Voice Operators Compete? IVQR Estimates

Abstract:
This paper proposes a simple procedure to test whether firms compete à la Cournot or perfectly collude. We examine a panel of quarterly data for 177 mobile-voice operators in 45 countries from 1999:1 to 2004:2 and provide novel empirical evidence along the conditional distribution of price-cost margins. Particularly, we find that the hypothesis of perfect collusion can be rejected even for very high-margin operators while the hypothesis that very low-margin operators compete à la Cournot cannot be rejected.

Tuesday, March 17th 2009 3:00pm
Room 7.21, 7th floor, North Tower, Instituto Superior Técnico

Refreshments provided

Co-organized by: