

IAB-DiskAB

Invitation

Broadband Infrastructure and Entrepreneurship

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Policy makers in many places regularly call for broadband infrastructure deployment to foster regional development. While some empirical studies deal with the productivity impact of broadband internet availability, few hard facts are known about its relation to establishment start-up. This paper contributes to closing the gap, providing causal evidence on the impact of broadband internet availability on establishment start-up. We apply an instrumental variables approach, exploiting technological peculiarities of the preexisting voice telephony network that impeded high-speed internet availability to circumvent endogeneity bias. We find that broadband effects on establishment start-up are heterogeneous across sectors and establishment size classes, and that effects depend on the knowledge intensity of the industry and on establishments' employee skill profiles.

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13.00 o'clock

Room 126a