



Organizing for efficiency

Essays on merger policies, independence of authorities, and
technology diffusion

av

Anh Mai

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Opponent: Docent Lars Persson
Institutet för näringslivsforskning
Stockholm, Sverige

Örebro universitet
Handelshögskolan
701 82 ÖREBRO

Abstract

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Institutions are fundamentally sets of rules in a society that help create stability. Organizations are groups of people who may share the same goal. Changes in organizations and institutions will have large effects on the performance of economies. This thesis explores empirical aspects concerning two elements of institutional and organizational design: economic regulations and independent regulatory authorities (IRAs).

Essay 1 studies the impact of the 2004 EU merger policy reform on how mergers are reviewed by the European Commission. The EU policy appears to have softened after the reform for unilateral mergers and this may suggest an improvement of merger policy efficiency.

Essay 2 compares the merger enforcements in the EU and the US. Our approach is to decompose the differences into policy effects and case-mix effects. The EU policy has significantly changed after its 2004 reform. Overall, the results show a convergence between the two policies for dominance mergers after the EU policy reform.

Essay 3 constructs an independence index for 109 European IRAs in six different sectors: competition, energy, financial markets, pharmaceuticals, food safety, and telecom. Factor analysis suggests that the heads of the agencies are mostly constrained by four factors: collegial bodies, the judicial system, politics and scope of tasks, and resources.

Essay 4 explores a correlation between independence of regulatory authorities and corruption. We find that the authorities in corrupt countries to a large extent rely on collegial bodies but are less tightly controlled by the judicial system, compared with those in “clean” countries.

Essay 5 studies the impact of regulation on broadband diffusion speed. The results imply that a strict local loop unbundling policy appears to slow the diffusion speed of fixed broadband. In contrast, a pro-competition policy that aims to promote entry has a significant positive impact on the diffusion speed of mobile broadband.

Keywords: merger, regulation, reform, authority, corruption, broadband, diffusion, policy, industrial organization, accountability

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Örebro University, SE-701 82 Örebro, Sweden