

Ultra-Fast Broadband Access and Productivity: Evidence from Italian Firms

by Carlo Cambini | Elena Grinza | Lorien Sabatino | Politecnico di Torino | Politecnico di Torino | Politecnico di Torino

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In this paper we study the impact of ultra-fast broadband infrastructures on firm performance. We leverage on a unique dataset collecting a balanced sample of Italian firms, for which derive different measures of productivity. Using firm geographical location, we match firm-level data with municipality-level information on the diffusion of ultra-fast connections starting from 2015. We deal with the endogeneity of broadband diffusion by exploiting the distance between each municipality and the closest backbone node. Consistently with the relevant literature, we find - on average - that ultra-fast connections have no significant impact on firm productivity. However, we find that small firms operating in the service sectors benefit from the introduction of advanced broadband technologies. The effect is driven by firms located in the South of Italy - the less developed part of the Country.

Keywords: Ultra-fast broadband access, fiber-based networks, firm productivity, total