

Competition and Regulation of Mobile Phones in Small Island Nations

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Abstract

Small island nations face a number of challenges in achieving economic development. The small size of these nations means they lack the economic density required to take advantage of economies of scale and specialization, and the distance from larger markets raises transportation costs and limits their ability to be part of global production networks. In meeting these challenges the telecommunications industry has a vital role to play. Telecommunications reform has meant the introduction of competition into parts of the industry (mobile phone, long distance, and Internet). In this paper, the growth of mobile phone use is observed and analysed. The findings are that growth of the sector has taken place at a varied rate across the various nations studied, and that lower mobile phone prices are associated with more competition and independent regulation.

Keywords: competition; mobile phones; regulation; small islands; telecommunications.

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