Objectives: Drivers of Growth

Explore the Link between

Macro-Economic & Telecommunications

Telecommunications & Growth Correlations

- Jipp’s Observations
- Southern African Study
- Seven East Asian Countries
- World Bank Analysis
Southern African Results

Country Comparisons: Ln of GDP versus Ln of DELs

Source: ITU data, 1991

GDP vs. DEL vs. Tele investment

East Asian Economics

World Bank Study

- World Bank Study
  > Education Significant Driver
- Regression Results
  > Growth of GDP versus Education & Investment Variables

Agenda

- Objectives
- Background
- Research Methodology

Methodology

Literature Review

Macro-Economic Data Analysis
Literature Review

- A Strong Statistical Relationship Exits
- Recent Literature Suggests Causality

Methodology

- Telecommunications Added
- Education Variables Replaced

Methodology: World Bank

- Cross-Economies
- Variables:
  - Investment,
  - Population
  - RGDP &
  - Education
- Telecommunications

Methodology: Modified Results

- Telecom Significant Driver
- Results:
  - Telephone Variable Added
    - Significant at the .05 level
  - Education Variable Replaced
    - Significant at the .01 level

Conclusions / Implications

- A Positive Relationship Exits
  - Empirical Results Confirmed
  - Others' Results Confirmed
- Magnitude Varies

Agenda

- Objectives
- Background
- Research Methodology
- Implications / Conclusions
Why?
- Jipp’s Technique - too simple
- Developed Economies - complicate to measure
- Telecommunications Investment Fluctuations

Conclusion / Implications
- Rejection of Jipp’s observation
  - Negative Correlation
  - Too Simple
- Further Research Plan

Further Research
- Expand of the Time Series
- Comprehensive Result

Conclusions / Implications
- Cross-Economies Analyses
- Inclusion of Telecommunications

Objective
To Explore the Relationship between Telecommunications and Economic Development

Models
- \( \ln (GDP) = a + \beta \ln (\text{Tele}) \)
- \( \ln (GDP) = a + \beta \ln (\text{Tele} -1) \)
- \( \ln (\text{Tele}) = a + \beta \ln (\text{GDP} -1) \)

Tele = DEL or Telecommunications Investment