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## **Broadband Diffusion and Firm Performance in Rural Areas: Quasi-Experimental Evidence**

### **Abstract**

This paper analyzes the impact of advanced (up to 20Mbps) broadband accessibility on firm performance by exploiting a unique local policy of staged ADSL2+ roll-out across rural municipalities. In a difference-in-differences framework based on longitudinal balance sheet data for limited companies, we show that ADSL2+ availability is associated with increases in sales turnover, value added, and

total factor productivity. Effects are not attributable to changes in inputs but, instead, represent productivity effects. Additional analysis of aggregate administrative data shows no significant impact on the total number of active firms or local employment. Placebo estimates support a causal interpretation.

**Thursday 1<sup>st</sup> June**  
**from 1pm to 2pm**  
**Campus Luigi Einaudi**

**Seminar room n. 36**  
**Building D1 - 3<sup>rd</sup> Floor**  
**Lungo Dora Siena 100/A, Turin**