

On the Relationship Between Concentration and Competition: Evidence from the Chilean Private Pension System.

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Abstract

I use Panzar and Rosse (1987) methodology to estimate the degree of competition among Pension Fund Administrators (PFAs) in the Chilean private pension system for the period 1996 to 2008. The results indicate that the industry can be described as a cartel (or monopoly) during this period. There is evidence that in this industry there is a negative, and statistically significant, correlation between concentration and competition.

Keywords

Author Keywords: Panzar and Rosse; concentration; competition; pension system

KeyWords Plus: BANKING